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Saving local communities using scrip money to fight the Great Depression in north central Iowa

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SAVING LOCAL COMMUNITIES USING SCRIP MONEY TO FIGHT THE GREAT
DEPRESSION IN NORTH CENTRAL IOWA

An Abstract of a Thesis

Submitted

in Partial Fulfillment

of the Requirements for the Degree

Master of Arts

Bryan Carl Bjorklund

University of Northern Iowa

December 2017

ABSTRACT

In 1933, during the depths of the Great Depression, the Mason City Chamber of Commerce authorized the issuance of 10,000 yellow certificates with a face value of \$1.00. This local effort to fight the economic disaster was represented in the unique certificates known as stamp scrip money. The overall goals of the program was to offer the unemployed work relief, build a road to further connect the city, experiment in the road building process using concrete macadam, and to stimulate local business all through the issuance of the 10,000 certificates. The idea of the project was introduced in early 1933, official road construction began in May, the road building process was finished in July, and the entire project ended in August of 1934. This paper will add to scrip money history by exploring the success and failures, influential citizens and local leadership, implementation of the road building project, and examine the details of the defined goals of the Mason City scrip project. As a whole, the scrip road project in Mason City, Iowa, provides a viewpoint of a local community working together to combat the Great Depression.

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This Study by: Bryan Carl Bjorklund

Entitled: Saving Local Communities Using Scrip Money to Fight the Great Depression in North Central Iowa

has been approved as meeting the thesis requirement for the

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INTRODUCTION

The creativity and ability of individual citizens to find alternative ways to purchase the goods and services they need has proven endless throughout history. As an object itself, money can be whatever people want it to be as long as the value is trusted and understood. The many examples throughout history of money are the cacao seeds used by the Aztecs, rice traded by the many people of Southeast Asia, Norwegians and butter, and salt in North Africa. All support how people will discover innovative methods to acquire what they need.¹ Those involved with scrip, whether in Mason City or elsewhere, created and practiced this innovative yet puzzling method of addressing their needs. This paper will explore the success of the scrip road project in Mason City, Iowa, and help us better understand the value of scrip to small communities during the Great Depression.

Background

The use of scrip money was authorized and used by numerous communities and local institutions during the Great Depression in the United States. Although the role of scrip money varied by community during the Great Depression, generally scrip money was generated to provide help for citizens by manufacturing innovative wealth in a situation where little useful financial capital was present, to provide a way to stimulate

¹ J. McIver Weatherford, *The History of Money: The Struggle over Money from Sandstone to Cyberspace* (New York, NY: Crown Publishers, 1997), 5.

the economy and an opportunity to trade resources and talents, and to act as a tool to combat rampant unemployment. The lifespan for scrip was very short-lived with a range generally observed from 1932-1933, during the transition between President Herbert Hoover and President Franklin Delano Roosevelt. Peaking in the spring of 1933, there was discussion of scrip schemes in national periodicals, debates in Washington, and promotions with great enthusiasm by chambers of commerce, municipal governments, and consumer cooperatives with the White House even offering a possible endorsement if there was to be a reserve fund to back it.² In the end, scrip was useful by helping citizens get from point A to point B, being the intermediary during extremely perplexing times as the country and its leaders tried to find a solution to the economic turmoil.

Historiography

This thesis introduces the background of scrip money, identifies why the use of scrip money was established and needed, describes how scrip money was organized and used in Northern Iowa, provides examples of local commitment to scrip money, and explores the success of scrip money in Mason City in connection with the scrip road project. The historical context of this paper begins with an examination of the initial experimentation of alternative money and continues by exploring the use of alternative money during the early years of the Great Depression in the United States. Attention has

² Sarah Elvins, "Panacea or Dud: Retailers React to Scrip in the Great Depression," *Business and Economic History On-Line* 3, (2005): 1-17, <http://www.thebhc.org/sites/default/files/elvins.pdf>, (accessed February 19, 2017),

been given to scrip money in the U.S., but it is not widely studied, as it is one of the many idiosyncrasies of the Great Depression. Examples of alternative forms of money used around the United States come from the states of Iowa, Minnesota, Oklahoma, Washington, Michigan, and California, among others.³ Currently, a few scholars such as Sara Elvins, Jonathan Warner, and Loren Gatch, have given alternative money attention.

Elvins alludes to scrip money as finding a welcome, but temporary home in Iowa where the state was dubbed as the “hot bed”. She gives a very good introduction to scrip in the state of Iowa, with many examples of alternative money used in the state. The article explores the issues of the time and how scrip money addressed those needs. Charles Zylstra of Hawarden, Iowa, is a focus of the paper, in addition to the famous economist Irving Fisher.⁴

In addition, Elvins discusses the use and appearance of the “phenomenon of scrip” shortly after the 1929 stock market crash as numerous communities big and small across the United States looked to find alternative means to advance their economies. She explains this excitement of scrip was not supported by all as there was friction between

³ Other noteworthy examples related to their geographic areas include George Tselos, “Self-Help and Sauerkraut: The Organized Unemployed, Inc., of Minneapolis,” *Minnesota History* 45 (1977): 306-320; Loren Gatch, “‘This Is Not United States Currency’: Oklahoma's Emergency Scrip Issues during the Banking Crisis of 1933,” *Chronicles of Oklahoma* 82 (2004): 168-199; Howard H. Preston, “The Wooden Money of Tenino,” *Quarterly Journal of Economics* 47 (1933): 343-348; Richard H. Harms, “Paid in Scrip,” *Michigan History* 75 (1991): 37-43; Daniel J. Leab, “Barter and Self-Help Groups 1923-1933,” *Midcontinent American Studies Journal* (1965): 15-24; and Jonathan Warner, “The Anaheim Scrip Plan,” *Southern California Quarterly* vol. 90, no. 3 (Fall 2008): 307-325.

⁴ Sarah Elvins, “Scrip Money and Slump Cures: Iowa's Experiments With Alternative Currency During the Great Depression,” *The Annals of Iowa* 64, no. 3 (Summer 2005): 221-245,

consumers wanting small, local communities and business owners realizing their interaction was much larger. Elvins expands upon the relationship of business owners and the people who supported them and who the business owners then served in return.⁵

Jonathan Warner published a few works on scrip money. In an article focused solely on Iowa, Warner takes a different approach to the state compared to his colleague Elvins. A minor reference to the history of the previous decade is provided to set the stage for the introduction of scrip and the various forms of scrip. The author has a very interesting chart of all the scrip from across Iowa laying out the type, start and end date, value of scrip circulated, and total dollar amount. As expected, and a must when describing scrip money, Warner speaks about Charles Zylstra and Irving Fisher. The state of Iowa had scrip programs from river to river and of various sizes, with some being more successful than the other. A few highlights of communities around the state are addressed like Polk County, Sioux County, Cass County, Pella, Rock Rapids and Mason City. Warner's overview of Mason City was well done in terms of a general history, but the author did jump around on whether or not the project was a success providing a few reasons for why it was, and other reasons as to why it was not. Information related to the project on who was involved, the process of building the road, and the local attitude towards the project was not discussed which leaves the reader curious on some potentially vital information. Warner finishes the article with the eventual epilogue of scrip money by using the term "scrip indigestion" frequently. He also references the

⁵ Sarah Elvins, "Panacea or Dud: Retailers React to Scrip in the Great Depression," *Business and Economic History On-Line* 3, (2005): 1-17, <http://www.thebhc.org/sites/default/files/elvins.pdf>, (accessed February 19, 2017).

timing of federal government programs put in place to alleviate the lack of money circulation.⁶

Warner also writes in detail about scrip as an experiment, presents examples of varied items used for money throughout time, and even offers examples of alternative money possibilities currently that appeal to some people. Two types of self-liquidating scrip are discussed: transactions stamp and time based stamp. To help direct how the scrip actually works, the author provides a very useful flow chart with scenarios of how scrip works first published in the Des Moines Register, 1932. The history of both types of scrip is visited, with names like Joe Elliott, Charles Zylstra, Irving Fisher, and Silvio Gesell discussed. The author reminds the reader that stamp scrip was useful because of the stressful times and the amount of money people had was limited. In addition, the author contends scrip money provided people with a sense of local spirit by providing work for neighbors and projects that may improve their surroundings. Yet, some issues with scrip arouse, usually how to keep it circulating and not harm those who end up with the scrip. After discussing the issues, Warner provides some intriguing examples of scrip today and alludes to the possibilities of a resurgence giving the right circumstances.⁷

Loren Gatch also explores local money during the Great Depression. Overall, the article explores the different types of scrip, explains the legality of scrip in the U.S., and

⁶ Jonathan Warner, "Iowa Stamp Scrip: Economic Experimentation in Iowa Communities during the Great Depression," *The Annals of Iowa* 71, no. 1 (Winter 2012): 1-38.

⁷ Jonathan Warner, "Stamp Scrip in the Great Depression: Lessons for Community Currency for Today?," *International Journal of Community Currency Research* 14 (2010): 29-45.

examines the theoretical justifications for scrip. The explanation of the five different types of scrip (reputational scrip, bank and financial scrip, stamp scrip, barter and self-help scrip, and lastly tax anticipation notes) was refreshing and a useful background on the various forms of scrip. Within each type of scrip, the author provided a general history of influences and background information.

Continuing with the stated argument, the legality of scrip was reviewed. The main point to understand for the legality of scrip was that if scrip was to fail, it would be a risk taken on by the individual and was not backed like U.S. notes with official authority. Without official authority to cover all debts, the threat to official federal government notes was minimal and no real incentive was apparent to attack scrip money. Conversely, with the various forms of scrip available and the possibility that scrip money could be used without legal trouble, how did it come to be? The author tends to side with scrip money being an experiment with very few intended outcomes or reasonable thought-out processes. Some legitimacy was given to scrip money with references to Silvio Gesell and Irving Fisher, notable individuals within the world of economics and alternative money, but most often, it was local, influential individuals or organizations carrying out the role of scrip promotion. This minor, local promotion also was where most scrip found success. The larger the scale of the scrip project, the less likely there was to be favorable outcomes.⁸

⁸ Loren Gatch, "Local Money in the United States During the Great Depression," *Essays in Economic & Business History* XXVI (2008): 47-61.

This constant back and forth over a strange medium of exchange during a very stressful and demanding time makes the topic unique. The inventor of scrip was German Silvio Gesell. After experiencing the effects of depression in Argentina in 1890, Gesell became interested in monetary reform. His monetary reform ideas and writings laid a theoretical basis for scrip money.⁹ Starting the experiment in the United States in early 1932 was Joe Elliot of Anaheim, California, who saw varied success.¹⁰ Helping the promotion of scrip money in the state of Iowa was Charles Zylstra of Hawarden, Iowa in October 1932. Zylstra became synonymous with scrip and eventually climbed the political ladder in Iowa on the synergy of scrip.¹¹ Similarly, the famous economist Irving Fisher pushed the idea in Iowa and throughout the United States, offering help to communities interested beginning in 1933 and ending in 1934.¹² As a state, Iowa was

⁹ All of the following is dedicated to Silvio Gesell. Silvio Gesell, *The Natural Economic Order*, (London: Peter Owen, Ltd., 1958); Werner Onken, "The Political Economy of Silvio Gesell: A Century of Activism," *American Journal of Economics and Sociology* 59 (2000): 609-622; "Who, the hell, is Silvio Gesell?" *Appropriate Economics* (April 2000), <http://www.appropriate-economics.org/ebooks/neo/gesell.htm>, (accessed February 9, 2017); Hugo Godschalk, "Does Demurrage Matter for Complementary Currencies?" *International Journal of Community Currency Research* 16 (2012): 58-69.

¹⁰ The first example of scrip in the U.S. is worthwhile as many other communities reached out to Elliott for help and guidance. Jonathan Warner, "The Anaheim Scrip Plan," *Southern California Quarterly* vol. 90, no. 3 (Fall 2008): 307-325.

¹¹ Jonathan Warner focuses this paper on the efforts and outcomes of the scrip plan promoted by Charles Zylstra in "Charles Zylstra and Stamped Scrip: How a Dutch immigrant sought a solution to the Great Depression," paper presented, conference for the Dutch immigrants on the Plains, Dordt College, Sioux Center, IA, 2005.

¹² Irving Fisher wrote on the topic in his guide to the scrip idea in *Stamp Scrip*, New York: Adelphi (1933) and referenced the Great Depression in *Booms and Depressions*, New York: Adelphi (1932); Irving's assistant Hans Cohnssen writes about the interaction as well in "Working with Irving Fisher," *CATO Journal* 10, no. 3 (1991): 825. Loren Gatch focuses on the role of Fisher and the scrip movement in general in "The Professor and a Paper Panacea: Irving Fisher and the Stamp Scrip Movement of 1932-1934," *Paper Money* XLVIII, no. 2 (March-April 2009): 125-142.

more susceptible to the economic issues of the Great Depression due to the agricultural connection and this may have led to the sudden attraction to scrip money.¹³ Although scrip was eventually pushed out of usefulness by the larger, nationwide encompassing programs of the federal government initially established by President Herbert Hoover and exaggerated in size by President Franklin Roosevelt, scrip still holds a place in monetary history.¹⁴ Overall, shortly after the Great Depression, scrip history was recorded and

¹³ The author Calvin W. Coquillette discusses Iowa's financial situation during Hoover's time in office in the article, "A Failure of 'A Very Great Public Service'? Herbert Hoover, Iowa Banks, and the National Credit Corporation," *State Historical Society of Iowa* 58, no. 4 (Fall 1999): 388-412.

¹⁴ Monetary history is well covered in the work done by Richard H. Timberlake in *Monetary Policy in the United States: An Intellectual and Institutional History* (Chicago: University of Chicago Press, 1993); and by Milton Friedman, *A Monetary History of the United States, 1867-1960* (Princeton: Princeton University Press, 1963). A look at the efforts of each president are referenced from David Burner, *Herbert Hoover: A Public Life* (New York, NY: Alfred A. Knopf, 1979); George S. Nash, *The Life of Herbert Hoover, Master of Emergencies 1917-1918* (New York, NY: W. W. Norton & Co., 1996); Frank Freidel, *Franklin D. Roosevelt: A Rendezvous with Destiny* (Boston, MA: Little Brown and Company, 1990); Richard Polenburg, *The Era of Franklin Roosevelt 1933-1945* (Boston, MA: Bedford/St. Martin's, 2000); Burton W. Folsom Jr., *New Deal or Raw Deal: How FDR's Economic Legacy Has Damaged America* (New York, NY: Threshold Editions, 2008); and Robert S. McElvaine, *The Great Depression, America* (New York, NY: Three Rivers Press, 1984).

researched and there is somewhat of a resurgence with a few historians.¹⁵ At this time, studies covering scrip are finding a small comeback especially in local communities.¹⁶

This thesis was researched and developed out of the interest for local history and to find out how communities created unique ways, such as scrip money, to oppose the Great Depression. The distinctiveness of this thesis arises in the dedication to the efforts of the citizens of Mason City to the scrip road project. Detailed attention is provided from the first day the news broke in early 1933 until the end of 1934 when the scrip program was successfully completed. Noteworthy citizens will be reviewed and referenced, the arrangement of the program discussed, how the due diligence of the committee in charge was exhibited throughout the project, and how the Mason City scrip program was successful in filling a void.

¹⁵ The traditional references to scrip history are in Vernon L. Brown, "Scrip and Other Forms of Emergency Currency Issued in the United States During the Depression Years of 1931-1934" (master's thesis, New York University, 1941); Joel William Canady Harper, "Scrip and Other Forms of Local Money" (PhD diss., University of Chicago, 1948); W. Weishaar and W. W. Parrish, *Men Without Money: The Challenge of Barter and Scrip* (New York, NY: G. P. Putnam's Sons, 1933); and Ralph A. Mitchell and Neil Shafer, *Standard Catalog of Depression Scrip in the United States* (Iola, WI: Krause Publications, 1984). Current beginning references over scrip are from Sarah Elvins, "Selling Scrip to America: Ideology, Self-Help and the Experiments of the Great Depression," *International Journal of Community Currency Research* 16 (2012): 14-21; Loren Gatch, "Local Money in the United States During the Great Depression," *Essays in Economic & Business History* XXVI (2008): 47-61; and works by Jonathan Warner.

¹⁶ The following articles introduce how the idea of alternative money never fades away and has evolved. Jonathan Warner, "Stamp Scrip in the Great Depression: Lessons for Community Currency for Today?" *International Journal of Community Currency Research* 14 (2010): 29-45; Jonathan Warner, "Microfinance without the finance: the possibility of scrip-based development funding," Paper, Universite Libre de Bruxelles (2009): 1-20; Loren Gatch, "Local Scrip in the USA During the 1930s: Lessons for Today?" (paper presented at Conference on Monetary Regionalisation: Local Currencies as Catalysts for Endogenous Regional Development, Bauhaus-University, Weimar, Germany, September 28, 2006), 1-40.

The majority of current research has been directed at the attempts and success of scrip usage as a whole or in other communities and projects.¹⁷ This paper has taken the general idea of scrip and narrowed it down to focus on Northern Iowa and Mason City's scrip project. There has been some research over the Mason City project, however, there is a gap in the scholarship as the story is largely untold regarding the scrip road project in Mason City. This paper will add to scrip money history by discussing the influential citizens involved, provide an example of guidance and leadership on a local level, elaborate on the implementation of the road building project, and examine the details of the defined goals of the project. The overall success of the project will be explored by looking at the number of citizens employed, the increase in business activity, and construction of building a new road. In addition, the negative implications caused by the project in the community, such as an excess and profusion of scrip money at certain businesses, will also be acknowledged.

The first chapter will cover the history of scrip from its inception and the promoters of scrip money in the United States and around the globe. It will also address the reasons and effects of the Great Depression on the United States, the roles of both President Herbert Hoover and President Franklin Delano Roosevelt during the Great Depression, and the subject of money velocity. A brief discussion over the legality of

¹⁷ Although addressed earlier, scholarly work regarding Mason City is referenced in both Sarah Elvins "Scrip Money and Slump Cures: Iowa's Experiments With Alternative Currency During the Great Depression," *The Annals of Iowa* 64, no. 3 (Summer 2005): 221-245 and Jonathan Warner, "Iowa Stamp Scrip: Economic Experimentation in Iowa Communities during the Great Depression" *The Annals of Iowa* 71, no. 1, (Winter 2010): 1-38.

scrip money and how scrip is used today is also covered. The second chapter will explain how the scrip program was organized in North Central Iowa. Special attention will be given to how the scrip emerged and the built-in advantage Mason City possessed, the city's influential citizens and the recruitment of community merchants, and the growing attention to the potential program from surrounding towns. The third chapter is dedicated towards exploring the timeline for the scrip road project, distinguishing the four goals set out by the founding committee of the project, how the project filled a void, and the overall success of the Mason City program.

CHAPTER 1

SETTING THE STAGE FOR SCRIP MONEY

As economist John Kenneth Galbraith is quoted as saying, “The problem of the modern economy is not a failure of a knowledge of economics; it’s a failure of a knowledge of history.” With the Great Depression looming large in the United States in the early 1930s, the opportunity of finding work was difficult. Many Americans felt lost and hopeless and had few places to turn. Turning to history and diverging from the norm was where the development of scrip money entered the scene. To fight the effects of unemployment and economic downturn, scrip money helped to create consumption and had a goal of spurring on much needed growth in stagnant times through public work projects or similar endeavors of varying shapes and sizes across the nation. Some scrip project examples were more successful than others, some were more welcomed than others, and some were more planned out than others.

When introducing the subject of scrip money, there are some background topics that need to be covered. First, this chapter will discuss the many different forms that scrip took in the United States. Second, it will explain who we should recognize for the creation of this alternative money and how the scrip money became useful to the American people. Third, the Great Depression will be explored which opened the door to alternative forms of money such as scrip. President Herbert Hoover and President Franklin Delano Roosevelt will also be discussed in reference to the roles they played during this time period. The legality of scrip will be considered and lastly, the issue

related to the velocity of money will be reviewed. Overall, more attention and questions will be directed towards stamp scrip within this chapter and in later chapters of the paper.

Basics of Scrip Money

At first glance, scrip money may look awkward, cartoonish, and appeal more to a child than as a way to fight one of the greatest economic crisis in history. A presentation in Mason City of alternative currency used during the 1930s announced scrip money as “Funny Money”.¹ Whatever the origin of that specific title may be, to the critics of scrip money it may be very fitting. Scrip is adaptable to the needs of the user and can take many forms. These forms, such as reputational scrip, bank and financial scrip, barter and self-help scrip, tax anticipation scrip, and stamp scrip, will be discussed first.

Reputational scrip is known to be used by corporations, organizations, and at times individuals. If a company was to use reputational scrip as part of its payroll, the goal was to encourage workers to buy the goods and services they needed from the company store.² This system worked like a very simple circular flow model: an individual provides labor to create a good or service for the business, the business in return provides the laborer with reputational scrip which then is used as consumer expenditure. Production is created by its own necessary consumption. A successful

¹ Tom Thoma, "'Money' of 1930s Recalled," *Mason City Globe Gazette* (Mason City, IA), June 20, 1970.

² Richard H. Timberlake, “Private Production of Scrip-Money in the Isolated Community,” *Journal of Money, Credit, and Banking* 19 (1987): 437-447.

business or noteworthy individual could configure their community accordingly, thus using their notable reputation for personal benefit and gain.³

Bank and financial scrip was more common and associated with private clearinghouses before being eventually displaced and outdone by the existence of the Federal Reserve in 1913. The clearinghouses worked with lenders to provide useful currency so people could access at least some avenue to their deposits.⁴ The renowned illustration for this type of scrip is the wooden money example from the small town of Tenino, Washington, in late 1931 and early 1932. The local Chamber of Commerce issued scrip in replacement of the local bank's role. The scrip was issued in the form of rectangles from a spruce tree called "slicewood". The peculiar form of money was supported by the frozen assets in the local bank. Unfortunately, this unique example did not work out over time as most of the spruce rectangles were kept as souvenirs.⁵ A similar example occurred cross-state in Blaine, Washington, in 1933. Seeking their own fix to the monetary issues, they issued wooden round coins when their bank failed. However, in the end, they faced the same fate as their cross-state peers.⁶

In economics, the term "coincidence of wants" describes the transaction when two parties agree to trade resources. In the modern economy, the usefulness of money makes this transaction simple to complete, as all understand money as a common denominator.

³ Vernon L. Brown, "Scrip and Other Forms of Emergency Currency," 30-35.

⁴ Richard H. Timberlake, "The Central Banking Role of Clearinghouse Associations," *Journal of Money, Credit, and Banking* 16 (1984): 1-15.

⁵ Howard H. Preston, "The Wooden Money of Tenino," *Quarterly Journal of Economics* 47 (1933): 343-348.

⁶ Michael W. Michelsen Jr., "A Passionate Collector," *Antiques and Collecting* (2006): 40-41.

However, when there is little money available the system quickly breaks down. During the early 1930s, the unemployed were looking for ways to meet their needs. They joined forces to help ease the coincidence of wants for all parties. Bartering and self-help scrip are examples of ways to replace the inconvenience of the seemingly never ending search for a suitable trade partner when the system fails.⁷

A prime example was from Minneapolis, Minnesota, where a group labeled the Organized Unemployed, Inc. practiced this barter and self-help scrip. These individuals were willing to work and often found employment in agriculture, services, or light manufacturing. Using their collective power and supreme ability of working with and having an abundance of sauerkraut, the scrip money medium of exchange issued by the group was coined “sauerkraut money”. It should be noted this was a movement for those looking to earn their keep in society instead of a receiving a handout or free assistance. Their leader, the Reverend George Mecklenburg, magnified this belief with the slogan “Work, Not Dole!” which was advertised on a giant banner above the headquarters entrance, distributed throughout promotional literature, and issued on the scrip money. Work for the unemployed was desired and the breadline was not.⁸ Their efforts were usually dedicated towards menial work for nominal wages, which was referred to as “leaf-raking”. With the strong ideological resistance to accepting cash outright, the

⁷ Daniel J. Leab, “Barter and Self-Help Groups 1932-1933,” *Midcontinent American Studies Journal* 7 (1965): 15-24.

⁸ George Tselos, “Self-Help and Sauerkraut: The Organized Unemployed, Inc. of Minneapolis,” *Minnesota History* 45 (1977): 307-320.

compensation they received eventually turned into an early form of food stamps.⁹

Unfortunately for this group, those participating became too connected within their own group and the reality of limited trading partners set in and it became difficult to buy sauerkraut while you were selling sauerkraut at the same time.¹⁰

The repetitive cycle of economic decline during the Great Depression was reflected in the lack of tax revenue which was used to support local government. In addition, many local governments were unable to use their finances due to the various Bank Holidays. With the tax base crumbling and the inability to consistently access the necessary funds, communities had to become resourceful with the creation of tax anticipation scrip.¹¹ Cash-strapped governments paid their employees with scrip money. Issuing this type of scrip helped people pay off past and current bills and employ public servants and reminded citizens the worthwhile purpose the scrip served - to keep basic, necessary government services, such as education, available for everyone.¹²

Stamp scrip is the final type of scrip to be discussed and the focus for the rest of the paper. All of the previous examples of scrip are interesting in their own right, however, stamp scrip is the center of this discussion. When discussing stamp scrip, there

⁹ Loren Gatch, "Local Scrip in the USA During the 1930s: Lessons for Today?" (paper presented at Conference on Monetary Regionalisation: Local Currencies as Catalysts for Endogenous Regional Development, Bauhaus-University, Weimar, Germany, September 28, 2006), 1-40.

¹⁰ Stephanie Simon, "Cash-Strapped California's IOUs: Just the Latest Sub for Dollars," *Wall Street Journal* (2009): <http://www.wsj.com/articles/SB124846739587579877> (accessed February 19, 2017).

¹¹ Loren Gatch, "Local Money in the United States During the Great Depression," *Essays in Economic & Business History* XXVI (2008): 47-61.

¹² Vernon L. Brown, "Scrip and Other Forms of Emergency Currency," 35-45.

are two main versions usually referenced: time based (also known as dated) and transaction based (also known as undated). Both encourage people to exchange the scrip, but the velocity at which it is potentially transferred varies between the two versions.¹³

Promoters

Recognition for who created this alternative money is necessary in order to appreciate the worldwide journey of stamp scrip. Research points to the German monetary theorist of the early 20th century named Silvio Gesell (1862-1930) for exploring the various intricacies of money that led to time-based scrip. Gesell proposed a reform of money that would make money lose value at a predetermined rate and cause its holder carrying costs, thus forcing people to eliminate the urge to hoard money.¹⁴

Seeking more monetary reform instead of purely class reform, Gesell was at odds with the Marxist socioeconomic view. Under a Marxist view, the concern is more concentrated with how human labor (meaning the proletariat working class) who did the actual useful work itself, but gained very little, is exploited by those who control the factors of production (meaning the few but powerful bourgeoisie) who reap a majority of the rewards. Gesell's reform would come in the shape of how human labor was being exploited by the structural defects of improper distribution of the monetary system. Money has three primary functions with the most important being able to act as a

¹³ Bruce Champ, "Stamp Scrip: Money People Paid to Use," *Cleveland Federal Reserve Economic Commentary* (April 2008).

¹⁴ "Who, the hell, is Silvio Gesell?" *Appropriate Economics* (April 2000), <http://www.appropriate-economics.org/ebooks/neo/gesell.htm>, (accessed February 9, 2017).

medium of exchange, along with a store of value and as a unit of account. This medium of exchange is what makes money useful. However, ridding money of its ability to dominate a market is what Gesell was seeking to achieve.¹⁵

In his book on the matter, *The Natural Economic Order*, a few of the motivating factors for Gesell were generally of a social nature - fighting crime, poverty, and war, as he believed the state of social order and the currency system were deeply interconnected. Gesell was not comfortable with the idea of money never losing its usefulness. Goods and services, which money buys, do generally have a limited lifetime and eventually will wear out. If money never loses its usefulness, those who hold money hold power. This obviously lends advantages to those with the most money and the ability to control numerous societal measures that Gesell found intolerable.

In addition, Gesell was opposed to the charging of interest as it relates to money. For those with excess money, the excess money needs to be “active” to reap the biggest reward. This “activity” is lending of money and charging of interest to those who borrow money. The difference between the earned interest for saving money compared to the charged interest for borrowing money is where the reward is gained. If you have very little money to save, what advantage is there to save money considering the money you saved is going to be borrowed back to you at a higher interest rate than what you received for borrowing money to the financiers in the first place? Ultimately, to Gesell, the

¹⁵ Werner Onken, “The Political Economy of Silvio Gesell: A Century of Activism,” *American Journal of Economics and Sociology* (2000): 609-622.

scarcity of money was controlled by financiers who earned a “tax” throughout the borrowing and loaning process.¹⁶

Besides the previously listed reasons for his disdain, Gesell did provide solutions to his expressed problem. He looked to create a money which he named *Freigeld* (free money). Gesell felt, “The purpose of Free-Money is to break the unfair privilege enjoyed by money. This unfair privilege is solely due to the fact that the traditional form of money has one immense advantage over all other goods, namely that it is indestructible.”¹⁷ This money would work for those who used it and not hamper them. Instead of losing out in the borrowing game of money, the playing field would be leveled with the “tax” charged to those holding money, specifically the wealthy who used money holding to their advantage. Money would have to be spent instead of hoarded, which would slowly eliminate the power of interest.¹⁸ Silvio is quoted as saying, “Only money that goes out of date like a newspaper, rots like potatoes, rusts like iron, evaporates like ether, is capable of standing the test as an instrument for the exchange of potatoes, newspapers, iron and ether. For such money is not preferred to goods either by the purchaser or the seller. We then part with our goods for money only because we need the money as a means of exchange, not because we expect an advantage from possession of

¹⁶ Silvio Gesell, *The Natural Economic Order* (London, England: Peter Owen, Ltd., 1958), 265-382.

¹⁷ Gesell, *The Natural*, 273.

¹⁸ Loren Gatch, "The Professor and a Paper Panacea: Irving Fisher and the Stamp Scrip Movement of 1932-1934," *Paper Money* XLVIII, no. 2 (March/April 2009): 125-142.

the money. So we must make money worse as a commodity if we wish to make it better as a medium of exchange."¹⁹

To discourage the hoarding, Gesell proposed a special stamp would be affixed to currency at a set date to prove its validity (possibly every week or month). The more money you held, the more stamps you had to buy. The incentive would be to spend your money so you would be responsible for as few as stamps as were necessary to the amount of money you held when the stamp comes due.²⁰ Officially, the ability of money to have built-in pre-programmed depreciation of the nominal value of a currency is known as “demurrage”. Although Gesell was interested in having a state-issued monopolistic currency, which would promote demurrage and fight a shrinking money supply with the same amount of fresh money, many self-help initiatives ad-libbed and transformed that idea to more locally-focused currencies in the United States.²¹ Gesell’s work was not entirely accepted or viewed as sound by many of his peers, but his ideas were given prestige by the famous and noteworthy economist John Maynard Keynes. In his book titled *The General Theory of Employment, Money and Interest*, Keynes says, “The idea behind stamped money is sound. It is, indeed, possible that means might be found to apply it in practice on a modest scale. But there are many difficulties which Gesell did

¹⁹ Gesell, *The Natural*, 269.

²⁰ Jonathan Warner, "The Anaheim Scrip Plan," *Southern California* 90, no. 3 (Fall 2008): 307-325.

²¹ Godschalk, "Does Demurrage Matter for Complementary Currencies?" *International Journal of Community Currency Research* 16 (2012): 58-69.

not face.”²² Gesell is then the answer to the question asked earlier of who we should “recognize” for the creation of scrip money, so the conversation moves towards the discussion of scrip money used in the United States.

The historical discussion for stamp scrip in the United States begins with Joe Elliott of Anaheim, California. Elliott, who is generally overlooked compared to other scrip promoters, is credited with the first effort to enact a plan in the United States during the Great Depression. Although there was a close connection to Gesell’s ideas, Elliott maintained the idea of stamp money was his own. Working as a gas station owner and well-connected in his community, Elliott’s goal was to provide work for the unemployed directed towards useful community endeavors. For their work, men would be paid in one dollar certificates. When the certificates were spent (known as transaction-based stamp scrip), a four cent stamp was to be placed on the certificate to prove the money had been exchanged. The scrip then had to be spent in town or used as payment to the city of Anaheim or to pay workers who would accept the new medium of exchange for their wages. Once the certificate had all twenty-five stamps in place, the certificate could be redeemed for its original stated value. To provide legitimacy for the program, \$500 was deposited into the Anaheim First National Bank to cover redemption of the first offering. Official approval was accepted on January 5, 1932, with the opening day of the program being January 19, 1932. Overall, the plan had ups and downs and in the end the city suffered no monetary losses when Elliott himself purchased the remaining certificates to

²² John Maynard Keynes, *The General Theory of Employment, Interest, and Money* (London, England: Macmillan and Co. Ltd., 1936), Chapter 23 Section VI.

signal the end of the Anaheim program in April 1933. Elliott reiterated that the plan had accomplished what it set out to do. He also wanted all to remember that overall this was only an experiment which was first tested in Anaheim, California.²³

Charles Zylstra (1891-1946) and Hawarden, Iowa, would steal the limelight and their names would become synonymous with stamp scrip in the United States. While growing up in the Netherlands, young Charles was exposed to the financial world early as he learned from his father about banking and agriculture.²⁴ During his youth, Zylstra was exposed to the work of Gesell, potentially sowing the seeds of his own version of scrip money.²⁵ Eventually, he left for the United States in 1909 hopeful to return to his native land with new knowledge in American financing and farming. While in the U.S., Zylstra made a home with his wife and six children in Hawarden, Iowa, which is in the Northwest section of the state located in Sioux County. Zylstra was kept busy with his many endeavors, which provided him with useful connections in the future for his scrip plan.

Ambitious and interested in politics, Zylstra ran and lost the primary for the Iowa 9th District seat in the U.S. House of Representatives with the Democratic Party in early 1932. Far from being discouraged by his political failure, Zylstra continued to look for ways to stimulate local business during the Great Depression. As time moved on, he eventually created, supported, and advertised a plan of self-liquidating stamp scrip.

²³ Warner, "The Anaheim," 307-325.

²⁴ Jonathan Warner, "Charles Zylstra and Stamped Scrip: How a Dutch immigrant sought a solution to the Great Depression" (paper presented at Conference for the Dutch immigrants on the Plains, Dordt College, Sioux Center, IA, 2005): 162-180.

²⁵ Warner, "The Anaheim," 307-325.

Receiving a majority of positive praise from Hawarden businesses, the plan moved forward.

Eventually, the plan was approved by the City Council and the scrip was used to pay unemployed citizens to work on various municipal improvements where they would be paid \$1.60 a day. Of that \$1.60, \$1.00 would be with scrip and the remaining in cash. This stamp scrip would have a face value of \$1.00 and needed a 3 cent stamp attached with every purchase completed (known as transaction-based stamp scrip). When 36 transactions had been completed (36 stamps used) the city would redeem the retired scrip for \$1.00. The unemployed would spend the scrip around town for goods or services.

The plan was an immediate success for the community on many levels. It did help encourage business, but it also brought intensive media coverage and national fame. Yale economist Irving Fisher was delighted with the success, as were numerous other community leaders who visited or wrote for guidance. In the end, the program earned back all that was needed for the scrip program, although when it was all over some were happy to be done with it, especially those who were rivals of Zylstra. As for Zylstra, he made a successful run on the Democratic ticket as a late fill-in for the Iowa legislature on the success of the scrip plan in late 1932 and served in Iowa's 45th General Assembly. A bill Zylstra encouraged was passed in February 1933, which legalized and energized stamp scrip usage throughout the state of Iowa. However, some adjustments were made and eventually the bill became more voluntary and at the will and discretion of county board supervisors, thus reducing the potential effectiveness. The fame and exposure Zylstra experienced was directly connected to the success of scrip in Hawarden and Iowa.

The history of scrip money in the Great Depression is brief, just like Zylstra's fame. Eventually, he moved out of Hawarden to pursue other goals.²⁶

World famous American economist, inventor, and statistician Irving Fisher (1867-1947) is the individual most historians consider as the first for marketing scrip money across the U.S. Fisher had a wide-ranging appeal and impact as fellow notable economist Joseph Schumpeter described Fisher as, "The greatest economist the United States has ever produced."²⁷ Unfortunately for Fisher, his inopportune comments towards the stock market crash in 1929 proved to be detrimental towards his national reputation during the early stages of the Great Depression. A headline in the *New York Times* on October 22, 1929, read, "Fisher Says Prices of Stocks Are Low." Within a few days, the stock market crashed and by the end of November the New York Stock Exchange was down 30 percent from its peak. Fisher had based his statement on the resources he had at his disposal, such as strong earnings reports, few industrial disputes, and evidence of high investment in research and development (R&D) and in other intangible capital. Ultimately, Fisher was trying to convey that the fundamental value of stocks were strong overall. However, since market prices fell dramatically so soon after his statement, most analysts and economic historians concluded that Fisher was wrong.²⁸

With the unfortunate news of the crash, Fisher had to re-evaluate his approach as an economist to help the American people. Reassessing the situation, Fisher published a

²⁶ Warner, "Charles Zylstra," 162-180.

²⁷ Joseph Schumpeter, *Ten Great Economists from Marx to Keynes* (New York, NY: Oxford University Press, 1951), 223.

²⁸ Ellen R. McGrattan and Edward C. Prescott, "The 1929 Stock Market: Irving Fisher Was Right," *International Economic Review* (2004): 991-1007.

book in 1932, *Booms and Depressions*, along with his “Debt-Deflation Theory”, both sources explored the reasons for the Great Depression. Fisher felt the best way to encourage economic recovery was by increasing spending (as known as velocity). With prices dropping (known as deflation), those who had money automatically could purchase more with it. However that was not the case as most let the incentive of increased purchasing power idly sit in their pockets.²⁹

Fisher saw using stamp scrip in the United States as a temporary measure to an economic crisis, only to be used in addition to national currency and only as another potentially useful gadget in the toolbox. Referring to stamp scrip, Fisher stated, “It could be used to help forestall the great emergencies by being periodically applied and withdrawn in normal times like other money regulators.” Varying from the original idea proposed by Gesell in Europe, Fisher saw the transition of the varying scrip proposals as a natural flow into usefulness for those who needed it in the United States. Fisher was in favor of adjusting via American modification and did so on his own accord. He promoted the time-based stamping method compared to the transaction-based method practiced by Elliott and Zylstra.³⁰ To that extent, his motive was to generate economic activity by increasing the velocity of circulation of money, which would increase transactions and requires more goods and thus more employment.³¹

²⁹ Gatch, "The Professor," 125-142.

³⁰ Godschalk, "Does Demurrage," 58-69.

³¹ Jonathan Warner, "Stamp Scrip In The Great Depression: Lessons For Community Currency For Today?" *International Journal of Community Currency Research* 14 (2010): 29-45.

Fisher and his assistant Hans Cohnssen tirelessly promoted time-based stamp scrip as the model for the country.³² Fisher referred to stamp scrip by saying, “The two points about Stamp Scrip are: First: it is like money, because it can be banked or invested or spent. Second: it is unlike money because IT CAN NOT BE HOARDED. For the stamps, as we shall see, compel Stamp Scrip to ‘step lively.’” The statement is from a book titled *Stamp Scrip*, by Fisher and Cohnssen who worked together to create a resource for individual communities to use. The book was useful, from Fisher’s perspective, to explain why time-based stamp scrip was the best. He believed stamp scrip would promote a wider understanding of scrip, act as reference manual, provide easier correspondence, and ultimately to offer a cure to the depression.³³

Great Depression

The 1920s may have been prosperous and “roaring” for some, however, for all the 1930s ushered in unwelcoming, unpromising, and depressing realities. American citizens had been enticed by the many possibilities of mass production offered following World War I. A new era of consumerism in America was emerging and most were becoming accustomed to their ability to purchase. With that ability vanishing, their livelihood of being a “purchaser consumer” was attacked.³⁴ The Wall Street Crash of Tuesday, October 29, 1929, signaled to many what the future would be like, with an abundance of

³² Gatch, "The Professor," 125-142.

³³ Irving Fisher, *Stamp Scrip* (New York, NY: Adelphi, 1933), 3-8.

³⁴ Lizabeth Cohen, *A Consumers' Republic* (New York, NY: Vintage Books, 2003), 18-20.

wealth lost, arrangements unfulfilled, and the future torn apart for many in a single day.

This estimation was not far off as the national unemployment rate rose from 3.2% in 1929, to 24.9% in 1933, during the Great Depression's most severe first downturn (with the second coming in 1937). In terms of actual individuals, 1.6 million people were unemployed in 1929 where more than 12.8 million people lacked jobs in 1933.³⁵

Although there is still ongoing research and debate over the Great Depression, most of the consensus has been boiled down to three reasons for the collapse. The first was from fallout of World War I and the inability or unwillingness of European countries to repay money which was loaned to them. The second was the passing of high tariffs back and forth between trading partners which the United States enacted with the Smoot-Hawley Tariff Act in 1929-1930. In the short run, tariffs are used to protect and promote domestic production at the expense of imports, however, there is usually a tradeoff involved in the long run. The Smoot-Hawley Tariff Act did little to encourage repayment of money borrowed during WWI and resulted in higher priced goods. These goods were usually of lower quality, led to an anti-American attitude around the world, and created a negative effect on domestically-made products. The third reason was the inability of the Federal Reserve Bank to properly address the monetary policy needs of the time. The focus of the Federal Reserve, which was created in 1913, was to monitor interest rates, regulate the borrowing and lending of money to banks across the country, and to assist in times of financial need. Unfortunately, the theoretical fail-safe system of the Federal

³⁵ Congressional Research Services, *The Labor Market during the Great Depression and the Current Recession*, Rep. No. R40655, at 8 (2009).

Reserve was feeble, undependable, and did not step-up in key times during the Great Depression. A noteworthy example was the constant bank runs and resulting bank closings. By 1932, the quantity of currency in the United States had fallen by about one-third in three years.³⁶

In terms of a business sector that could alleviate against the Great Depression, there were very few business leaders willing to take the necessary risks, ultimately leaving only the federal government to step-up. With the economic crisis becoming a reality and little relief from the private industry, people become worried, concerned, and lost confidence in the economy. Logically, when that threat lingers, the joys of free-will spending disappear. Almost three out of every five jobs were lost from the goods-producing sector, falling from 13.3 million jobs to less than 9 million jobs.³⁷

Soon, those very same people who had the propensity to consume switched to the propensity to save and hoard. On a macroeconomic scale, this led to more economic downturn, additional hoarding and irrational saving, a lack of consumption, and a constant perpetuation of the same problem where people then in the end found difficulty in their ability to earn an income. With the delicacies of the fractional-reserve-banking system used in the United States, if people were not constantly depositing, borrowing, and spending, the money supply suffers and adds to the problem which is already being

³⁶ Burton W. Folsom, Jr., *New Deal or Raw Deal: How FDR's Economic Legacy Has Damaged America* (New York, NY: Threshold Editions, 2008), 30-42.

³⁷ Congressional Research Services, *The Labor Market during the Great Depression and the Current Recession*, Rep. No. R40655, at 8 (2009).

³⁷ Congressional Research Services, *The Labor Market during the Great Depression and the Current Recession*, Rep. No. R40655, at 6 (2009).

perpetuated by consumers. As this process continued, the revenue at banks where this money was previously growing and multiplying by spending, was now almost irreversibly shrinking.³⁸

President Herbert Hoover's Role

Guiding the country was President Herbert Hoover, who had the unfortunate timing of leading the United States into the Great Depression during his years in office from March 4, 1929, to March 4, 1933. Hoover was faced with the challenge he had previously warned government officials of in January, March, and August 1926, as Secretary of Commerce by citing excessive activity in stock speculation.³⁹ To fight the economic downturn, Hoover deferred to his aptness and experience in other relief projects from earlier in his career. Hoover had served on the U.S. Food Administration and as Chairman of the Commission for Relief in Belgium from 1914-1919. His efforts helped provide relief for refugees in parts of Europe devastated by the effects of total war in WWI.⁴⁰

Hoover was a firm believer in individuals doing things because it was needed and necessary, rather than forcefully commanding such efforts and creating “welfare

³⁸ Clifford F. Thies, "The Economics of Depression Scrip," *Mises Daily Articles* (last modified June 30, 2010), <https://mises.org/library/economics-depression-scrip>, 6/30/2010 <https://mises.org/library/economics-depression-scrip>, accessed February 19, 2017.

³⁹ David Burner, *Herbert Hoover: A Public Life* (New York, NY: Alfred A. Knopf, 1979), 245-284.

⁴⁰ George S. Nash, *The Life of Herbert Hoover, Master of Emergencies 1917-1918* (New York, NY: W. W. Norton & Co., 1996), 444-445.

capitalism". Hoover had hoped that citizens who were well-off would assist and provide for their neighbors in need and would do so because it provided them with a sense of righteous, civic duty. People helping others, Hoover had determined, would be the best course of action to keep the individual spirit alive in America instead of deferring to more government which would interfere unnecessarily. A vast majority of Americans, including governors and mayors, did not want to receive government dole. They negatively viewed such handouts as an example of how to create a society of dependency and looked to solve the problem on their own. The dole used in the British cities of Manchester and Leeds was cited by U.S. government leaders as a path many did not want to follow.⁴¹

However, this self-determination was hard to come by as the depression deepened. It was often citizen versus citizen competing for the same scarce resources. Hunger marches were held and desperate crowds robbed bakery trucks, which demonstrated the frustrations many Americans were facing. The marches of the Bonus Army, which occurred in the spring of 1932 and continued throughout the summer, attracted over 20,000 followers to Washington, D.C. Veterans were protesting for early payment of their WWI bonus.⁴² These events highlighted some of the trauma experienced during the Great Depression and only made it more unrealistic to expect individualism to be the solution.

⁴¹ Burner, *Herbert Hoover*, 245-284.

⁴² Robert S. McElvaine, *The Great Depression, America* (New York, NY: Three Rivers Press, 1984), 92-94.

As a whole, some of Hoover's failings in pulling the country out of the Great Depression came from his lack of a boast-worthy personality. As an individual, Hoover was confident in his abilities and approached problems like his professional engineering experience but was incapable of constantly creating confidence and getting the necessary buy-in of others. This made it difficult to win over the press and Congress, both which could have helped promote Hoover's ideas of controlling the troubles of the times.⁴³

Time after time, Hoover looked for leaders to emerge from the private sector, most notably the banking industry, to solve the economic crisis. Creating the National Credit Corporation (NCC) was a step towards promoting bankers to fix the problem. Hoover thought that if bank failures could be checked then hoarding would cease, which would lead to the thawing of frozen bank deposits. These assets would then be available to be put back to work and consumer confidence would be restored.⁴⁴

In the end, the NCC was not enforced and functioned out of the same volunteer-based methods Hoover had used before. The bankers wanted exactly what Hoover did not want to give and, eventually, Hoover's hand was forced as he increased the federal government activity to promote stabilization on a large scale. Hoover pushed for creating and using the Reconstruction Finance Committee (RFC) to bring numerous federal government resources together to help fight the Great Depression. Hoover liked the idea of the RFC as it was set-up to be temporary and run similar to the former War Finance Corporation (WFC) used during World War One. The RFC, a governmental corporation

⁴³ Burner, *Herbert Hoover*, 245-284.

⁴⁴ Calvin W. Coquillette, "A Failure Or 'A Very Great Public Service?'," *The Annals of Iowa* 58 (Fall 2009): 388-412.

which began in January 1932, provided support to state and local governments. It also made loans to banks and other businesses to help stimulate the financial side of the American economy. Ultimately, the RFC laid the groundwork for the future New Deal programs to come with the next president, Franklin Delano Roosevelt.⁴⁵

President Franklin Delano Roosevelt's Role

The election of 1932 clearly proved that Americans desired a change in political and economic policy. Election Day, November 8, 1932, resulted in a landslide victory with Franklin Delano Roosevelt winning 472 electoral votes to 59 electoral votes for Hoover. The idea of a “New Deal” seemed to be a hit with the American electorate, at the very least it was a change in pace from what President Hoover offered. When FDR took office on Saturday, March 4, 1933, the financial sector was in turmoil and the fears from the country were running high. Even with the change in the White House in 1933, people throughout the nation continued to rush to withdraw their money from the banks. The dark days of the Great Depression, the lame duck period of President Hoover, and the building bank crisis were all too fresh in shattering the confidence of the American people. FDR’s inaugural speech broadcast over the radio promised a swift action in the first “Hundred Days.”⁴⁶

Within two days of taking the oath of office, FDR issued Proclamation 2039 declaring a bank holiday. This banking shutdown, although shocking, was not

⁴⁵ Burner, *Herbert Hoover*, 245-284.

⁴⁶ Frank Freidel, *Franklin D. Roosevelt: A Rendezvous with Destiny* (Boston, MA: Little Brown and Company, 1990), 92-105.

unwarranted as during the three previous years leading up to it thousands of banks had failed. Beginning in March 6 and ending on March 10, 1933, all banking transactions were suspended across the nation, except for making change. Although seen as necessary to stop the bleeding, the bank holiday only supported the mistrust of the American people towards the financial sector.⁴⁷ During his first press conference on March 8, 1933, President Roosevelt said,

We hope that when the banks reopen a great deal of the currency that was withdrawn for one purpose or another will find its way back. We have got to provide an adequate currency. Last Friday we would have had to provide it in the form of scrip and probably some additional issues of Federal Bank notes. If things go along as we hope they will, the use of scrip can be very greatly curtailed and the amounts of new Federal Bank issues we hope can be also limited to a very great extent. In other words, what you are coming to now really is a managed currency, the adequateness of which will depend on the conditions of the moment.⁴⁸

To address the bank failures, FDR outlined and presented to Congress the Emergency Banking Act which empowered the President through the Treasury department to reopen banks that were solvent and assist those that were not. Prepared by the Treasury staff during Hoover's administration, this bill was quickly passed through Congress in an event of chaos. Some had not even had the opportunity to read the bill before it was successfully passed on the evening of March 9, 1933. FDR used the radio, to broadcast his agenda known as "Fireside Chats." Sharing with the public in his March

⁴⁷ Robert Jabaily, "Bank Holiday of 1933," *Federal Reserve History* (last modified November 22, 2013), <http://www.federalreservehistory.org/Events/DetailView/22>, (accessed February 19, 2017).

⁴⁸ Richard Polenberg, *The Era of Franklin Roosevelt 1933-1945* (Boston, MA: Bedford/St. Martin's, 2000), 4.

12, 1933, Fireside Chat, FDR said, "I can assure you that it is safer to keep your money in a reopened bank than under the mattress."⁴⁹

Continuing with the banking reform, on June 16, 1933, Congress created the Banking Act of 1933, also known as Glass-Steagall. The focus of the bill was "to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purpose." A notable amendment to the bill was the creation of the Federal Deposit Insurance Corporation (FDIC). The FDIC first insured deposits up to \$2,500 and shortly thereafter up to \$5,000. The FDIC, along with the Security and Exchange Commission (SEC) created on June 6, 1934, were major governmental efforts to restore financial safety and security to the country.⁵⁰

In Iowa, the bank failures were particularly destructive. In order to loan money out, banks need people to deposit money, so tracking deposits can be a useful measure of the banking industry. For 12 months ending June 30, 1931, the drop of Iowa bank deposits was about \$53 million, or 12 percent. During the last six months of 1931, Iowa banks lost another \$156 million, or 22 percent in comparison to 11 percent for all U.S. banks. Using the same time period, loans in Iowa banks declined by one-third compared

⁴⁹ Stephen Greene, "Emergency Banking Act of 1933," *Federal Reserve History* (last modified November 22, 2013), <http://www.federalreservehistory.org/Events/DetailView/23>, (accessed February 19, 2017).

⁵⁰ Julia Maues, "Banking Act of 1933, commonly called Glass-Steagall," *Federal Reserve History* (last modified November 22, 2013), <http://www.federalreservehistory.org/Events/DetailView/25>, (accessed February 19, 2017).

to 10 percent for U.S. banks. Much of this decline was due to the relationship many banks in Iowa had to the farming industry, as crop and livestock prices continued to decline for Iowa farmers. An example was the average price of an acre of farmland which declined from \$210 in 1920, to \$128 in 1929, and \$109 in 1931.⁵¹

The landscape of national finance influenced local communities such as Mason City. While the Mason City scrip plan was being organized, Colonel Hanford MacNider, an influential and prominent resident, was seemingly aware of the prevailing issues of the times. On March 22, 1933, with the Bank Holiday fresh on their minds, MacNider reminded citizens, "... every reason still exists for issuance of this scrip which existed before the bank holiday which terminated so happily here in Mason City. We still have our employment problems in Mason City and through this issuance of stamp money we have the opportunity to put men to work, to get some useful public project accomplished and to stimulate business."⁵²

Issues with Velocity

When discussing scrip money or any kind of money, the term "velocity" is important to reference. Velocity is the rate at which money is exchanged from one transaction to another and how much a unit of currency is used in a given period of time. Basically, velocity is the speed at which a dollar is spent and then given to the next

⁵¹ Coquillette, "A Failure," 388-412.

⁵² *Mason City Globe Gazette* (Mason City, IA), March 22, 1933.

person to spend.⁵³ During the Great Depression, a lack of velocity was plaguing the majority of Americans. Scrip money was seen as a way to create some additional spending. In Mason City, businessman W. E. Wagner commented on the scrip plan and how it was to increase the velocity of money. "Of course, the plan is frankly inflation of currency confined to our own locality. But if we can put to useful work men now receiving aid and giving the public nothing in return; if we can turn over to ourselves as citizens and taxpayers some useful public project without cost to city or county; if we can stimulate business by the addition of several thousand dollars in rapidly circulating currency, and can do these things with each individual contributing say two cents as a dollar passes through his hands, it will be worth the effort."⁵⁴

In early January of 1933, the local newspaper in Mason City, the *Globe Gazette*, helpfully published an article about the history and velocity issue of money. Liquid versions of money, such as cash and coin, were available within the community, but actual bank deposits that made up the majority of the money supply were not as obtainable. Possibly by coincidence, the article reminded all that money is ever-evolving and a constant game of trial and error.⁵⁵

⁵³ Yi Wen and Mariah A. Arias, "What Does Money Velocity Tell Us about Low Inflation in the U.S.?" *On The Economy*, <https://www.stlouisfed.org/on-the-economy/2014/september/what-does-money-velocity-tell-us-about-low-inflation-in-the-us> (accessed February 26, 2017).

⁵⁴ *Mason City Globe Gazette* (Mason City, IA), January 16, 1933.

⁵⁵ *Mason City Globe Gazette* (Mason City, IA), January 16, 1933.

Legality

Currency in the United States illustrates a very adventurous past. The Second Continental Congress issued paper money dubbed “continentals” to help raise an army for the Revolutionary War; the first war to be financed by paper money. Unfortunately for the young nation, the currency was born into an unorganized banking system and proved difficult to redeem as the currency experienced deflation. The Founding Fathers learned from this, as they were conscious of the power wielded by those authorized to create money, and only provided Congress the power to issue money.⁵⁶ Even with Congress having the official authority, whenever an opening was presented and a substitute needed, individuals, community groups, private companies, and private banks created their own versions of money to suit their needs. Overall, people need the ability to buy what they want when they want. Officially, the term liquidity is what people seek from their currency, and replacements will be found if there is a difficulty obtaining what is needed.⁵⁷

As time moved on, some of the nation’s money problems were resolved but a larger issue was on the horizon, the Civil War. In order to finance the Civil War, Congress authorized the U.S. Department of the Treasury to issue Greenback notes. Greenbacks created an interesting stir in the economy and more importantly with the Supreme Court. In the cases of *Knox v. Lee* in 1871; and *Parker v. Davis* in 1871, the Supreme Court had to determine if the Greenbacks were legal tender for all debts public

⁵⁶ Weatherford, *The History*, 135-137.

⁵⁷ Bruce Champ, "Private Money in our Past, Present, and Future," *Cleveland Federal Reserve Economic Commentary*, January 2007.

and private regardless of when they were contracted. Additionally, in the case of *Julliard v. Greenman* in 1884, the Supreme Court had to determine if Greenbacks had the authorization to act as full legal tender in peacetime as well as in war. All of the cases were reviewed with the eventual decision being in favor of a larger, more-encompassing interpretation of the Constitution and the federal government from what was previously understood regarding accepted currency. This adjusted understanding developed a far-reaching influence and set the stage for many forthcoming events.⁵⁸

During the Great Depression, by no means was stamp scrip official U.S. currency, nor was it designed to be. Generally speaking in terms of stamp scrip, the issue of legality was largely ignored in the United States during the Great Depression. Federal currency was legally enforced and all had to accept it “for all debts, public and private.” Comparatively, stamp scrip, which had no legal backing, was accepted by people because it was their free-will and choice to do so.⁵⁹ Fisher referenced Gresham’s Law when discussing scrip, which is the principle that refers to “bad money driving out good money”. Some believed that scrip was the lesser currency, which would drive out actual dollars and their usage. Naturally, the motive of scrip is to circulate around as quickly as possible, so if there is a choice between two currencies, the logical choice would be to use the scrip money. However, if there is little currency to use, little does it matter which

⁵⁸ Richard Timberlake, "From Constitutional to Fiat Money: The U.S. Experience," *CATO Journal* 32, no. 2 (2012): 349-362.

⁵⁹ *Mason City Globe Gazette* (Mason City, IA), January 24, 1933.

is deemed lesser or which is used to purchase needs, as long as transactions are completed.⁶⁰

The overriding reason for federal disregard was that stamp scrip programs were too small to give extensive attention as there were more pressing macroeconomic issues to worry about. Most of the issues of stamp scrip were on a limited scale both geographically and in quantity. One appealing reason stamp scrip was even started was due to the potential for community pride and keeping money local. The larger the program, the greater the likelihood there would be for a disconnect with those it was trying to rally and encompass, which would potentially lead to failure. One example where stamp scrip did interact with the federal government was with the Bankhead-Pettengill Bill in Congress in February 1933. At the recommendation of economist Irving Fisher, this bill proposed to issue stamp scrip via a national plan. Ultimately, the bill did not pass and Fisher altered his focus to other problems that appeared during the Great Depression.⁶¹

Scrip money, although looked at briefly by the White House, was out of popularity with the advancement of the New Deal programs by FDR in 1933. The role stamp scrip played, to act as a medium of exchange and substitute for cash, would come to an end for most in 1933. As a whole, the majority of scrip was able to avoid outright challenges from the federal government even though the federal government did not want to encourage any such insubordination from its ability to control the national currency.

⁶⁰ Fisher, *Stamp Scrip*, 57.

⁶¹ Fisher, *Stamp Scrip*, 79.

However, the national authority exerted by the Fair Labor Standards Act of 1938 to set nationwide standards for employees did have an overbearing result on reputational scrip offered by many coal and lumber companies.⁶² These moments in monetary history usually represent local power attempting to assert itself. That power was drawn away at the detriment of local control while reliance upon federal guidance and funds increased.⁶³

⁶² Gatch, "Local Money," 47-61.

⁶³ Loren Gatch, "Tax Anticipation Scrip as a Form of Local Currency in the USA During the 1930s," *International Journal of Community Currency Research* 16 (2012): 22-35.

CHAPTER 2

ORGANIZATION OF SCRIP MONEY IN NORTH CENTRAL IOWA

As bad as the Great Depression was, American perseverance was found within the creation of scrip money. As an alternative form of money, scrip is usually spawned as a grassroots movement. During the Great Depression individuals around the country were beaten down, but not yet defeated, and scrip was a celebration of this “never-give-up” attitude. This chapter will discuss the path and timeline of the scrip program in Mason City, the influential citizens who helped guide Mason City, and the varied community support behind the program. In addition, other area towns that were influenced by the stress of the times will also be reviewed.

Scrip Emerges

A general cultural norm of the time was the practice of laissez-faire economic policies and an understanding of Social Darwinism. With those two major beliefs popular within society, Americans came to believe that if you were willing to work hard, the American economy would provide, while the acceptance of handouts would be ineffective and a breaking of social expectations.¹ Although more than hard work was needed to overcome the massive loss of jobs, searching for a substitute to national currency was a motivation of a people in need. This drive by the people served scrip well

¹ Sarah Elvins, "Selling Scrip to America: Ideology, Self-Help and the Experiments of the Great Depression," *International Journal of Community Currency Research* 16 (2012): 14-21.

and it truly was derived from the bottom-up. The set-up of the scrip money program in Mason City was nothing out of the ordinary for the time period as there were numerous other examples circulating around Iowa (see Table 4 in appendix for reference to the other Iowa programs). When comparing many of the other scrip plans listed on the table from across the state, it is obvious that the effort of Mason City's scrip plan was not created just to be a single drop of water in the bucket of local economic recovery. The program was the largest offering of scrip from a single-city in the state of Iowa and overall it was second to Polk County in total scrip offering.²

Mason City's Advantage

For scrip to find real success in a community, it needs ample support from the citizens who need to consume and spend, businesses to accept and continuously distribute, advertisements by all to all for a friendly reminder why and what the purpose is, and a strong supporting cast of influential individuals the community trusts. Mason City did its due diligence and was ready to add their piece to the economic history of scrip money as all of the previous "must-haves" were found in Mason City.

To aid in that history, Mason City had a built-in advantage over the majority of others. The advantage for the scrip money program in Mason City was the town's ideal size, availability of local resources, and community support. This was a perfect setup to take advantage of the combination of manufacturing-wholesale-retail located within the

² Jonathan Warner, "Iowa Stamp Scrip: Economic Experimentation in Iowa communities during the Great Depression," *The Annals of Iowa* 71 (2012): 1-28.

city. It was not too big to become convoluted and tangled compared to the scrip money released in Polk County, Iowa (which includes the capital of Iowa, Des Moines). Nor was it too miniscule like the numerous small Iowa towns who dabbled in scrip money. With a population of 23,304 residents in 1930, Mason City had a population small enough to still possess local pride and large enough to have dominion over the necessary factors of social advocacy that promote scrip money.³

Committee of Influential Citizens Assembled

Leading the way on January 16, 1933, for Mason City with the introduction of the scrip project was an assortment of community members: Chairman E. H. Wagner, Garfield E. Breese, Jay E. Decker, F. J. Hanlon, F. E. Johnson, Colonel Hanford MacNider, Shadrick Morgan, Dr. Hardy Pool, J. A. Van Ness, and B. C. Way. All committee members were initially assigned a sub-committee and Hanlon, Way, and Johnson were in charge of form and character of scrip issue; MacNider, Pool, and Breese oversaw what projects were to be undertaken; and Decker, Morgan, Van Ness, and Charles H. Barber of the Retail Merchants Association ex officio underwrote the scrip and its flotation. Lester Milligan was a member on all committees.⁴ Added later on, and possibly the most important, was a sub-committee in charge of development consisting of

³ Willis Goudy, "Total Population for Iowa's Incorporated Places: 1850-2010," *State Data Center Program* (last modified 1988), <http://www.iowadatacenter.org/archive/2011/02/citypop.pdf> (accessed February 19, 2017).

⁴ *Mason City Globe Gazette* (Mason City, IA), January 16, 1933.

Lester Milligan, E. H. Wagner, and Carl Henkel.⁵ Although all of the above members were influential in their own right, some additional attention should be given to a few notable individuals dedicated to the Mason City scrip project.

E. H. Wagner was on the committee for the development of the scrip road. This committee was responsible for keeping the public informed over the progress of the road and the success of the project. His experience in business was as the owner of Wagner Motor Company, Ford and Fordson dealers, with sales offices in Mason City and Clear Lake. Wagner was a worthwhile member of the committee and was a positive influence who spoke many times on the subject with the local media.⁶

Lester Milligan was the secretary of the Chamber of Commerce in Mason City during the scrip program. From the start to the end, he was influential in making sure the entire scrip money program was up and running, in addition to keeping useful notes throughout the program's life. Born in Stanberry, Missouri, but raised in Clarinda, Iowa, Milligan refined his talents early during his high school and college years by working in journalism, as well as practicing his enjoyment of stamp collecting and music (which became a good fit as Mason City and music relate together well). Upon his arrival to Mason City in 1923 from Knoxville, Iowa, Milligan committed himself to community involvement and gained experience in the business sector in addition to his previously mentioned interests and abilities.⁷ Eventually, Milligan found himself a place in Mason

⁵ *Mason City Globe Gazette* (Mason City, IA), April 28, 1933.

⁶ *Motor World for Jobbers, Dealers, and Garagemen*, July 2, 1919.

⁷ *Mason City Globe Gazette* (Mason City, IA), June 7, 1963.

City history with the naming of a park in his honor and as one of the Founding Fathers for the local, annual event called the Band Festival parade.⁸



Figure 1: Lester Milligan, courtesy Mason City Public Library.

Another noteworthy, lifelong Mason City resident and scrip program committee member, was Carl A. Henkel. Henkel was active in the field of construction and general business. In working with the scrip program and road building, Henkel Construction was responsible for the grout mixture consisting of water, cement, and sand.⁹ Carl worked alongside his father, William F. Henkel, and became a partner with him in 1920. Henkel eventually served as the company president in 1950 and retired in 1971 after a career of

⁸ John Skipper, "North Iowa Band Festival History," *NIBF History* (last modified 2017), <http://masoncityia.com/index.php/whats-happening/band-festival/nibf-history/> (accessed February 26, 2017).

⁹ *Mason City Globe Gazette* (Mason City, IA), June 9, 1933.

building notable structures, such as the Mason City High School, John Adams Middle School, North Iowa Area Community College, and Wesley Methodist Church, among many others. At his retirement, Henkel was quoted about his time spent in Mason City saying, “I wouldn’t want to be anywhere else.” Throughout the years, Henkel Construction went through a few name changes but, overall, the construction company had erected strong connections with the people of Mason City.¹⁰



Figure 2: Carl A. Henkel, courtesy Mason City Public Library.

In the 1920s-30s, Jay E. Decker was running the show at Jacob E. Decker and Sons Meat Packing Plant and was making a substantial economic impact as one of the city’s largest producers and employers. During the recruitment for the scrip program,

¹⁰ *Mason City Globe Gazette* (Mason City, IA), January 22, 2006, October 8, 1974.

Decker and Sons was one of the first and largest companies to support the community effort.¹¹ Born in Chicago, Jay E. Decker was always involved with the meat packing industry as the third successive generation involved with such work. The family moved to Mason City and purchased the small meat packing plant on July 4, 1899. Seen as one of the pioneer industrialists in Iowa, Decker was active in Mason City business and community affairs as a member of the Chamber of Commerce, Rotary Club, Mason City Board of Education, and the St. John's Episcopal Church, the board of directors for First National Bank, and the Mutual Federal Savings and Loan Associations, and was a veteran of the Spanish-American War. At his time of retirement in 1938, the plant was then associated with Armour Packing Co.¹²



Figure 3: Jay E. Decker, courtesy Mason City Public Library.

¹¹ *Mason City Globe Gazette* (Mason City, IA), March 22, 1933.

¹² *Mason City Globe Gazette* (Mason City, IA), November 6, 1956.

Noted for introducing the idea of the scrip program and possibly the most noteworthy and recognizable local name was Hanford MacNider. As the only child of parents who were early settlers to Mason City and influential in the banking sector, MacNider was locally grown and proud of his hometown. Educated by Mason City public schools, Milton Military Academy, and Harvard, MacNider was looking for a life of more excitement. He found that excitement with his service in the military, which included serving at the Mexican border, during World War I, and World War II, where he was wounded by a Japanese grenade. When the scrip program was introduced, MacNider was referred to as Colonel Hanford MacNider. Eventually, all of his military accolades, fame, and success as a soldier earned him the rank of Lieutenant General. In addition to his military honors, MacNider also played an influential role in the American Legion as the Department Commander of the Legion for the State of Iowa and eventually the Office of National Commander. Under President Coolidge, MacNider was the Assistant Secretary of War in 1925 and Dwight D. Eisenhower was his executive assistant. President Hoover also appointed him as the Ambassador to Canada in 1930. He garnered attention in the field of politics as an active member of the Republican Party, most notably as a potential vice president candidate in 1932 and possible presidential candidate in 1940.

MacNider's role as a local businessman and entrepreneur was nothing short of impressive, as he helped organize the investment bank called First National Company. After his father passed away, MacNider became chairman of the board of First National Bank. He committed time to the Northwestern States Portland Cement Company where

he eventually became president and general manager in 1929. Although this is not a complete accumulation of Hanford or the MacNider family's accomplishments, it leaves no doubt the importance of his legacy, which are Carnegie-like on a local level. Hanford MacNider was an extremely impactful, noteworthy, and influential citizen whose decisions and ideas were driving forces for those in Mason City before, during, and after the scrip project.¹³



Figure 4: Hanford MacNider, courtesy Mason City Public Library.

Early Discussions and Recruitment Organization

When the scrip plan was originally proposed in mid-January 1933, the goal was to begin the community experiment by springtime. Colonel Hanford MacNider, who was a staunch Republican, was a believer in the virtues of cooperation and minimal government

¹³ *MacNider Family Archives - Hanford MacNider* (Mason City, IA: Mason City Public Library, n.d.).

intervention. He toured the nation during the mid-1930s, assailing the policies of the Roosevelt administration and the New Deal while speaking in support of the G.O.P.¹⁴

Following his beliefs, MacNider promoted an idea which would quicken the commercial life of the community, employ every deserving able-bodied individual, and promote the use of Mason City-Cerro Gordo County materials. MacNider felt the strength of the community was in the large number of individuals who would be willing to work hard. These individuals wanted to work to support their families and only needed a respectable wage. To get the plan started, MacNider noted, “It is going to take the wholehearted support of the community which will actually pay a small sales tax for purposes of putting new strength and inspiration into the whole economic life of Mason City and Cerro Gordo County.” To assure the community of the legitimacy of the project, MacNider felt underwriting the scrip would be more inclusive and advantageous than donating the needed materials. In addition, the committee wanted to start small, assess the community response and project success, and then possibly continue with other similar projects to build up the value of the community.¹⁵

With the unique situation of scrip money on the horizon, no stone was left unturned. The committee knew they had to continuously educate and update the public over the topic and had to do their fair share of research. Other examples had to be investigated to provide a game plan on how to be successful using scrip money. As a member of the committee in charge of development, Mr. Wagner noted, “We are entering

¹⁴ *MacNider Family Archives.*

¹⁵ *Mason City Globe Gazette* (Mason City, IA), January 16, 1933.

immediately upon an intensive study of the problems involved.”¹⁶ During the planning of the project, communication was conducted with Joe Elliott from the Anaheim Plan on some key points.¹⁷ In addition, letters were sent to Irving Fisher and Hawarden to help improve the program and prevent mistakes, all of which resulted in encouragement to proceed.¹⁸

From their research, the committee felt scrip programs within the state fell under examples like the Hawarden Plan (as previously explained in connection with Charles Zylstra), the Hawkings Plan (which increased the value of a dollar if the transaction was used for the trade of goods and services), and the Spencer Corn Reserve Plan (which encouraged farmers to keep a certain reserve of corn under bond which would be redeemable when corn reached a determined market price). Programs with a goal of creating useful activities like construction, wood-cutting and road building were also appealing. The possibilities of achieving local goals through the adaptability of scrip and encouraging in-town local trade seemed to be attractive to Mason City officials. The notion that a tangible product might be created was also of interest to the committee.¹⁹ Encouraging and spurring on the imagination of the community, was the fact that the Emergency Exchange Association estimated that scrip money worth between \$1,000,000 to \$2,000,000 was in circulation across the United States in places like New York, Ohio, California, and Utah.²⁰

¹⁶ *Mason City Globe Gazette* (Mason City, IA), January 16, 1933.

¹⁷ Warner, "The Anaheim," 307-325.

¹⁸ Warner, "Iowa Stamp," 1-28.

¹⁹ *Mason City Globe Gazette* (Mason City, IA), January 30, 1933.

²⁰ *Mason City Globe Gazette* (Mason City, IA), January 20, 1933.

Area Towns Join In

As the topic became more of a reality within Mason City, commentary on whether other communities in Northern Iowa would participate in the project became standard in the media. The paper from Oelwein, Iowa, commented on how they wished their community would look into a project like Mason City.²¹ Similarly, Charles City, Iowa, challenged, “Worthy citizens who were clever fellows, endowed with genius for working out mysterious puzzles, look into the matter of scrip money.”²² Even little Rake, Iowa, cited with a population of 325 people in 1933, was in on the action by issuing \$1.00 denominations of scrip in their community.²³ Not to be outdone, Lake Mills, Iowa, put in some efforts to research scrip money in early February of 1933 and eventually issued \$300 to hire men to work for the city in early March.²⁴

Not all were enthusiastic or welcoming to the idea. In early 1933, a Mason City man spoke to the residents of Manly, Iowa, on his uncertainty of the times. He offered his personal warning to their Lions Club on the dangers of scrip money saying, “Just one more method of getting the money out of the pockets of public spirited citizens.”²⁵

The neighboring community in Cerro Gordo County of Clear Lake, Iowa, was rather unique in their offering of alternative money. The Commercial Club of Clear Lake declared that it was abandoning the gold standard for the “corn standard” and appointed a

²¹ *Mason City Globe Gazette* (Mason City, IA), January 25, 1933.

²² *Mason City Globe Gazette* (Mason City, IA), February 11, 1933.

²³ *Mason City Globe Gazette* (Mason City, IA), February 9, 1933.

²⁴ *Mason City Globe Gazette* (Mason City, IA), February 7, 1933, February 11, 1933, and March 1, 1933.

²⁵ *Mason City Globe Gazette* (Mason City, IA), January 26, 1933.

committee to look into the details of offering corn for trade as an improvement over scrip-issued money.²⁶ Trading would be for bushels ranging in size from 4, 8, 12, 16, 18, or 20. To encourage farmers to spend their money locally and receive a fair wage for their corn, the Commercial Club would offer twenty-five cents for a bushel of corn. In return, farmers would receive “Corn Cash” to use in Clear Lake stores (see Figure 5). It was estimated that 2,000 bushels of corn would be purchased. This was equivalent to \$500 worth of business in a single day, which could grow to \$15,000 for the 30 days in a month, if promoted to its fullest every day.²⁷



Figure 5: Clear Lake Corn Exchange Currency. Via Sarah Elvins article, “Selling Scrip to America: Ideology, Self-Help and the Experiments of the Great Depression.”

²⁶ Sarah Elvins, “Panacea or Dud: Retailers React to Scrip in the Great Depression,” *Business and Economic History On-Line* 3, (2005): 1-17, <http://www.thebhc.org/sites/default/files/elvins.pdf>, (accessed February 19, 2017).

²⁷ *Mason City Globe Gazette* (Mason City, IA), February 9, 1933.

To make the most out of the idea, community leaders organized a kickoff for the event for February 24, 1933, as the official Corn Day, when actual corn money would be worth exchange. According to the advertisement, farmers could take their corn into town and weigh it at a designated location. From there it would be dropped off downtown in portable bins to show the commitment and support for the community. After the show, farmers would go back to the weigh-in station where they would receive a slip for their amount which they would then take to the Corn Exchange Bank (which was the Cerro Gordo State Bank) and receive their proper total. As a whole, the marketing for the project was seemingly done well as it was recommended that farmers bring their corn in on wagons, “So unique pictures can be taken of the corn caravan.” Free coffee was offered in any Clear Lake business and the high school put on a concert in the afternoon. To support the idea, almost \$800 was raised to back the corn money for Clear Lake. Although the twenty-five cents a bushel was almost three times the market price for the time period, the officials believed that the expense of buying the corn above market price would be overtaken by the increase in business revenue.²⁸ The event even gained a political feeling as resident Democrats paid \$22.50 for a bushel to send to FDR and resident Republicans paid \$33 a bushel to send to Hoover.²⁹

In all, the Corn Day event was seen as a success with eventually \$3,000 of Corn Cash circulating around Clear Lake’s economy, especially in spite of the national Bank

²⁸ *Mason City Globe Gazette* (Mason City, IA), February 21, 1933.

²⁹ Elvins, Sarah. “Scrip Money and Slump Cures: Iowa’s Experiments With Alternative Currency During the Great Depression.” *The Annals of Iowa* 64, no. 3 (Summer 2005): 221-245.

Holiday. On March 4, 1933, all businesses were accepting and expecting more Corn Cash in place of regular currency, with the organizers seeming very proud of their ability to combat the national financial event as they deemed the money, “To be the salvation of Clear Lake business firms during the national banking holiday”. In addition, they encouraged others to use cash to purchase more Corn Cash to increase the distribution.³⁰ To continue community support, Clear Lake teachers agreed to support the use of the Corn Cash as well.³¹ Overall, the Corn Cash was popular not only in Clear Lake, but also abroad with a request coming from a collector in Germany.³²

Curiosity Grows

With all the attention garnered by the scrip program announcement in Mason City and around the area, there was bound to be some questioning. Within days of the initial declaration of the Mason City scrip program’s intent on January 19, 1933, a question and answer column was published in the *Globe Gazette* to address the curiosity and possible concerns raised by the residents. One skeptical citizen referenced the alternative currency as, “White rabbit money - because it works like magic, makes unusable money out of white paper,” and encouraged the committee to look at this idea from all sides. The worries consisted of how all taxpayers would be responsible for the project while only a small, select group were the beneficiaries; the extent at which scrip would congregate at department stores; how scrip would be a tax upon merchants; and if the

³⁰ *Mason City Globe Gazette* (Mason City, IA), March 4, 1933.

³¹ *Mason City Globe Gazette* (Mason City, IA), February 23, 1933.

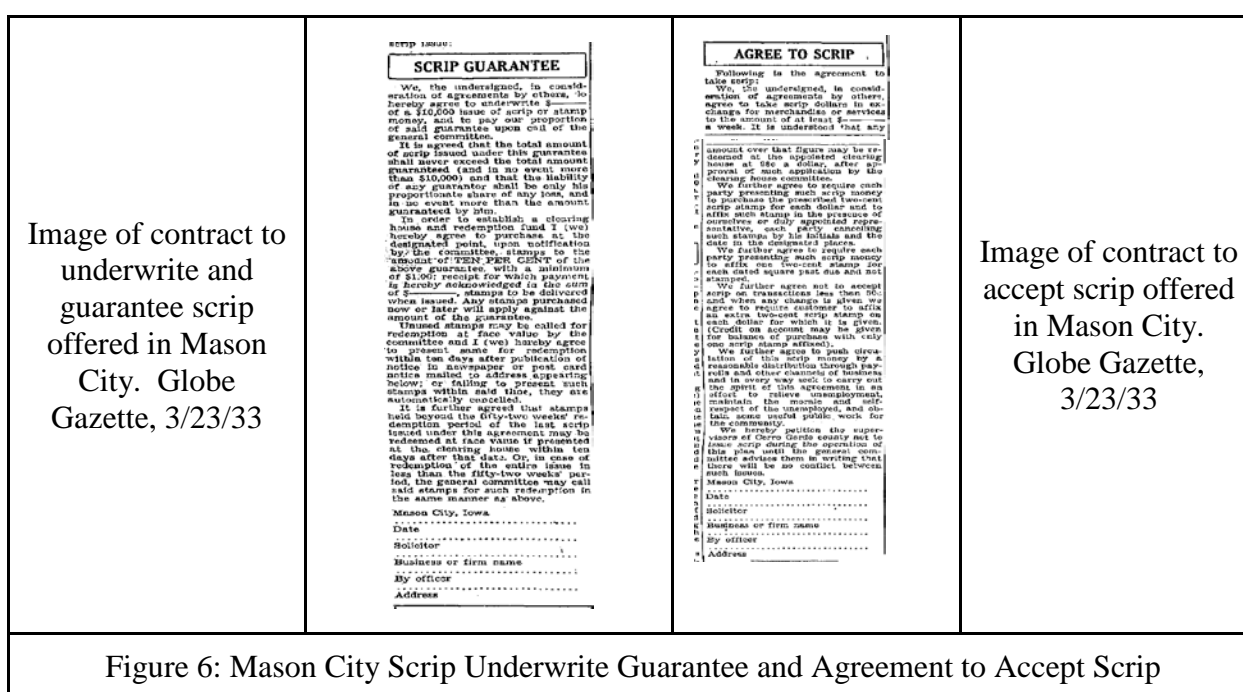
³² *Mason City Globe Gazette* (Mason City, IA), April 7, 1933.

scrip could be deposited in banks. With the project still in the planning stages, the answers provided were mostly vague. However, the responder did comment that the foremost and overriding goal of the potential scrip program was the script be passed around as quickly as possible.³³

To alleviate concerns and to gain the support of the local business community, a meeting was called on March 22, 1933, where questions were answered and instructions given with E. H. Wagner in charge. Col. Hanford MacNider reminded those in attendance that, "... every reason still exists for the issuance of this scrip which existed before the bank holiday which terminated so happily for Mason City. We still have our employment problems in Mason City and through this issuance of stamp money we have the opportunity to put men to work, to get some useful public project accomplished and to stimulate business." The first steps toward making the Mason City scrip program a reality was to obtain signatures from merchants, jobbers, manufacturers, and professionals, to guarantee the proposed issue of \$10,000 in scrip and that they agreed to take scrip for business transactions (see Figure 6). Lester Milligan explained that the Chamber of Commerce would be issuing the scrip and emphasized the need for the signatures to reiterate trust within the program and provide the necessary financial backing. The first two businesses to officially sign onto the scrip program agreement were announced to help christen the project. Leading the way were Northwest States Portland Cement Company (connected to Col. Hanford MacNider) and the J. E. Decker and Sons Company (connected to Jay E. Decker). In terms of local prominence and

³³ Mason City Globe Gazette January 19, 1933.

notability of the area, it would almost be impossible to find two more influential and prominent companies to lead the way. Both companies signed and agreed to underwrite \$2,000 each of the proposed scrip issue.³⁴ Not far behind were the accountants in town who explained their support by saying, “We are 100 percent and want to do our part.” Building upon the sign-up success, the committee wondered and asked, “Who’s next?”³⁵



After the message by Milligan, teams were created to recruit and retain pledges

(see Table 1).³⁶ Continuous efforts were made by the Chamber of Commerce to properly

³⁴ *Mason City Globe Gazette* (Mason City, IA), March 22, 1933.

³⁵ *Mason City Globe Gazette* (Mason City, IA), March 23, 1933.

³⁶ *Mason City Globe Gazette* (Mason City, IA), March 22, 1933.

organize and recruit additional businesses which were paramount for the program's success (see Figure 17 in appendix).

Table 1: Committee Members Team Assignments, via <i>Mason City Globe Gazette</i> , 3/22/33			
Team #	Team Members	Team #	Team Members
1	C. E. Cornwell, George S. Marty, D. H. Fitzpatrick and Lester Dibble	2	Leslie Valentine, Martin Mulligan and Vern Howard
3	F. J. Olson and E. H. Wagner	4	Scott Smith, W. C. Tracey and Dennis Avis
5	G. E. Albee and F. F. Potter	6	T. E. Cain and F. L. Stoltz, W. S. Wilcox, Shad Morgan, and Curtis Amen
7	H. P. Hansen, R. F. Pauley and Carl Henkel	8	Leo Davey, Curtis Yelland and D. W. Grippen
9	H. L. Campbell, D. G. Klempnauer, O. A. Merkel and R. E. Prusia	10	Fred J. Wagner, Frank A. Melius and F. E. Johnson
11	Johnie Hermanson and Andrew Olson	12	Dr. J. L. Pauley and Dr. Don J. FitzGerald
13	H. M. Knudson and E. A. Engier	14	J. A. Van Ness and Abott Wolf
15	Groceries and Meats	16	F. C. Gaylord, J. R. Gillam, Bill Pappas, and Frank Photiades
17	Roy L. Bailey, R. W. Fischbeck, King Vanderwicken and W. J. Walker	18	Cliff Lyons and A. J. Marshall
19	John D. Vance and W. S. Winders	20	Lee P. Loomis and W. M. Temple
21	Dr. George M. Crabb, Dr. S. A. O'Brien, Dr. V. A. Farrell and Dr. H. H. Jennings	22	H. C. Determan, J. C. Puth and W. C. Odell
23	Lyle Wilcox and Tony Garufis	24	Howard L. Knesel and Roger Patton
25	H. B. Farrer, W. L. Nichols and J. T. Laird	26	F. D. Pearce and Elmer Dilts
27	W. A. Gilmore and B. B. Dagley	28	F. R. Fockler, C. C. Halphide and J. H. Holub
29	Harvey B. Major and Paul S. Hull	30	O. A. Satter, H. L. Gore, H. E. VanEssen and John L. Chandler
31	Jay E. Decker and Col. Hanford MacNider	32	A. B. Cook, John W. Tubesing, Harlan Girtton and H. W. Conover

The list included over 375 business in Mason City. This not only was substantial in terms of sheer number of merchants, but also extremely impressive with the financial backing of \$18,500 (more than what the scrip planned on offering) accumulated by early May.³⁷ Although generally seen as the enemy of local scrip projects, as they are nationally owned companies instead of locally owned, branch department stores like J.C. Penny, A & P Grocery, Kresge, and Woolworth's took part. Big and small alike believed enough in the project to participate with large businesses such as Consolidated Coal and Coke Company and the Northern Lumber Company working alongside Smith's Klassy Kleaners and Steve Wilson, barber.³⁸

To generate the best ideas, the committee in charge encouraged the citizens to be the local think tanks and share their ideas on the best way to potentially use the scrip money by writing into the Mason City Globe Gazette where the ideas would be published. Beginning on January 19, 1933, the first idea was shared for all readers to see and the paper continued to publish numerous other options provided by the citizens. As the ideas multiplied, it became very apparent there was no shortage of community input, excitement, or eagerness towards wanting to move forward with the scrip project.

The active community involvement of Mason City generated ideas which ranged from: business recruitment, road building, road modifying, road safety, parking improvements, fire safety, creating new parks and public spaces, park rejuvenation, river

³⁷ *Mason City Globe Gazette* (Mason City, IA), May 6, 1933.

³⁸ Elvins, "Scrip Money," 221-245.

cleanups, river damming, railroad crossings, building of a patriotic civic center, development of a municipal wood yard, more street cars, getting rid of streetcars and upgrading to buses and transportation technologies, cleaning up rundown properties, farming vegetables, forcing scrip on local government officials for pay, and improving the city water lines (see Table 2). In an opinion section of the newspaper, a citizen was impressed by the many creative and interesting ideas that had been shared. Although the writer doubted some of the ideas, overall the end goal was something they were looking forward to seeing become a reality for Mason City.³⁹

After the ideas had been submitted, the organized committee of influential businessman in charge came to a final decision to create a road on the East side of Mason City along the Winnebago River.⁴⁰ Although there is no specific reason why the road or site was selected instead of the other citizen generated ideas, speculation may lead towards the benefit of the project helping those who organized it. This may be inferred by the specific support and distribution of scrip through major employers of the community such as the Northwest States Portland Cement Company (connected to Col. Hanford MacNider) and the J. E. Decker and Sons Company (connected to Jay E. Decker) as discussed earlier.

³⁹ *Mason City Globe Gazette* (Mason City, IA), February 18, 1933.

⁴⁰ *Mason City Globe Gazette* (Mason City, IA), April 20, 1933.

Table 2: Community Submitted Plans for the Scrip Project, via <i>Mason City Globe Gazette</i> .			
Idea #	Suggested Ideas	Date	Citizen
1	Improve the large excavation holes left from the removal of limestone by the cement companies. Create a beautiful, natural park with area for sunken gardens, games, playground, and a swimming pool.	1/19/33	W. H. Marsden
2	Improve current roads, decrease congestion of major roads used, and improve certain dangerous roads in Mason City.	1/20/33	W. F. Bugbee
3	Create a swimming pool with the idea that future money earned from the pool would be used to help repay the cost of the project.	1/21/33	A Respectful Citizen
4	Fill the empty stores by soliciting manufacturing plants to produce shoes, shirts, collars, dresses, hosiery, etc. In return for moving, Mason City will pay 25% of their payroll of the workers who are from Mason City for one year. After a year the business will be self-supportive and Mason City will see increased business.	1/23/33	Jack L. Murray
5	Move the curb back four feet in the busy business district to allow diagonal parking which would eliminate the process of parallel parking and all of the hassles that go with it.	1/24/33	Dentron J. Bernard
6	Develop a proper "through street", possibly Third Street North. This would help develop the central business district and focus investment.	1/25/33	Paul Moen
7	Reroute highway no. 18 to skirt past the business district which would eliminate unnecessary traffic.	1/26/33	J. H. Leeper
8	Build a combination bridge-dam across the Winnebago River in East Park to manage the sewage outlet and provide fishing, boating, and winter skating. The new road would also connect various locations along the way.	1/27/33	An Interested Citizen
9	Create a park by transforming an unsightly spot of Willow Creek near downtown Mason City.	1/28/33	P. W. Collins
10	Create additional roadways within Mason City, improve roadways to improve overall appearance of city, and provide sewer and water to every home.	1/30/33	J. J. Facklis
11	Clean up Willow Creek and the adjacent properties from First Street SW bridge to Federal Avenue bridge.	1/31/33	Inez Kinney
12	Clean out the Winnebago River starting at the dam to the disposal plant. Build a road along the Winnebago River for a new outlet. Build a road to open up Massachusetts Avenue to Ninth Street Northeast.	1/31/33	J. J. Hawthorne
13	Beautifying Mason City by establishing a riverside drive on the Winnebago River.	1/31/33	Marion Mayne Starr and Frank Mayne

Table Continues

Idea #	Suggested Ideas	Date	Citizen
14	Straightening of the road of 25th Street NW as it heads towards the Lehigh Cement Plant. The slight bow in the road has led to numerous accidents, has little edge protection, and is a route which a school bus travels upon.	2/1/33	Veritas
15	Dig a line of tile which would connect to a pond close by. This would provide water in case of a fire for citizens living near the Lehigh Cement Plant. The city water mains are too far away and the only current source of water is a water tank from a switch engine and only when it is in the area.	2/1/33	Pro Bono Publico
16	Improve the surroundings of the band shell in East Park by fixing wobbly benches, removing trees in the sight line, and laying gravel in the spring to provide a good floor.	2-2-33	Ray E. Prusia
17	Create a railroad crossing which would help school children cross, encourage the sale of residential lots (which are cheaper in terms of taxes), and offer space to grow gardens, have chickens, and let a cow graze.	2-3-33	A. A. Neumann
18	Modify the north turn on Federal Avenue to eliminate crashes.	2-4-33	S. A. Bemis
19	Erect a civic center for patriotic meetings. A kitchen would be in the basement, the main floor for patriotic meetings with a bathroom, and the attic for a future broadcasting station when the city needs one.	2-6-33	A Patriotic Citizen
20	Create a municipal wood yard.	2-7-33	W. H. Peeden
21	Widening and resurfacing Federal Avenue from the north end to south end of city limits with lighting, double streetcar rails, and stop lights.	2-8-33	An Unemployed
22	Assign sections of the city to citizen groups who are responsible for keeping the area clean and proper. The unemployed would receive information on what to clean up and receive compensation for their efforts.	2-9-33	Another Interested Citizen
23	---		
24	Create a new road heading west to Clear Lake to alleviate traffic.	2-11-33	An Interested Citizen
25	Build a bridge to cross Willow Creek and connect N. and S. Jackson while also installing retaining walls to control and beautify Willow Creek.	2-13-33	A Local Citizen
26	Update the city by replacing the overhead wires with underground wires, replacing streetcars with buses. Quality is to be practiced.	2-14-33	A. E. Bower
27	Use land where the unemployed would work and earn income to grow sugar beets in the summer. In the winter, they would sell the produce.	2-15-33	J. H. Wescott
28	Redirect traffic heading east to the south end of Mason City.	2-16-33	W.F.B.
29	---		

Table Continues

Idea #	Suggested Ideas	Date	Citizen
30	Create a viaduct under a large hill to elevate traffic and train congestion. This will also allow water to flow freely to the Winnebago River.	2-18-33	H. H. Willey
31	---		
32	All city employment and purchases should be paid with scrip and if they quit replace them with hometown thinkers. Start with Federal Avenue and fix every road within city limits and then clean the streams. Remove the city taxes and reduce the city debt.	2-21-33	Charles Willey
33	As a supplementary project to the major project, unemployed workers could clean up the rivers in town.	2-22-33	A.J.A.
34	Repave all of the beat up roads in town.	2-23-33	Anonymous
35	Install a water softener to reduce hard water in the city lines to alleviate constant wearing out of home appliances.	2-27-33	Anonymous

CHAPTER 3

COMPLETION OF SCRIP MONEY IN MASON CITY

The following sections will explore the timeline of the Mason City scrip plan. Emphasis and detail will be given to the four stated goals of the Mason City scrip program which were to employ the unemployed, build a road to expand and connect the city, experiment in road construction using concrete macadam, and stimulate the economy with the \$10,000 of scrip money. In addition, how the scrip program filled a necessary void and the overall success of the scrip program will be addressed.

Scrip Road Project Moves Forward and Begins

On April 20, 1933, the prevailing decision was made to create a road on the East side of Mason City along the Winnebago River.¹ Groundbreaking started on May 1, 1933, with the undertaking deemed “Project No. 1” by the Mason City Chamber of Commerce.² With the road site selected and money ready for circulation, the goals of the Mason City scrip project were put into perspective and addressed. The goals of the Mason City scrip project were fourfold: employ the unemployed, build a road to expand and connect the city, experiment in road construction using concrete macadam, and stimulate the economy with the \$10,000 of scrip money.

¹ *Mason City Globe Gazette* (Mason City, IA), April 20, 1933.

² *Mason City Globe Gazette* (Mason City, IA), May 1, 1933.

To fight the Great Depression directly, the first goal of the scrip plan was to put the local unemployed to work. Programs to help the needy were already evident. Over 160 men were working on unemployment projects around Mason City the day after the scrip program began in early May 1933.³ The scrip road project looked to promote assistance further and employ the greatest amount of people with the selected construction of a road with a macadam road surface. Under that type of construction process, manual labor was accentuated and in high demand.⁴ The local unemployed searching for work were instructed to refer inquiries to the Social Welfare League located in City Hall. Then, using a list generated from the Social Welfare League and the County Supervisors, the unemployed men who were the heads of households with families in Mason City were specifically sought out.⁵ These heads of households were given about 8 weeks' worth of work to complete the project. A motley crew of sorts, the workforce consisted of ex-bootleggers, former paving superintendents, and men who had been general laborers.⁶

The individual in charge of the general supervision for building the road was W.M. Barker of Chicago, who was an engineer for the Portland Cement Association. Peter Madsen was selected by the sub-committee as the superintendent and brought experience to the project as a former construction foreman. Madsen was noted to be, "A

³ *Mason City Globe Gazette* (Mason City, IA), May 2, 1933.

⁴ *Mason City Globe Gazette* (Mason City, IA), April 20, 1933.

⁵ Mason City Scrip Advertisement, May 8, 1933.

⁶ Letter by Lester Milligan, n.d., #1, Scrip Archive, Mason City Public Library, Mason City, IA.

man with years of experience in road building with the Henkel Construction Company, who had built several hundred miles of middle western concrete.”⁷

With an exception of the superintendent, timekeeper, and the three “key” men, the workforce underwent a changeover weekly to promote more exposure for those in need. The initial crew of 35 men worked for a three-day stretch. When their three days were up, they were replaced and a rotation of 25 different men were employed to keep work moving.⁸ It was originally estimated that only after two weeks from the start of the project, there would be over 100 different men receiving 3 days’ worth of work.⁹ The weekly rotation would be for one gang to work Monday, Tuesday, and Wednesday, and the next gang worked Thursday, Friday, and Saturday. Although this switching of men could potentially encourage laziness, minimal effort, and soldiering, it was far from the truth, as it is noted that the job was performed “earnestly”.¹⁰

The workers were paid at the rate of thirty cents an hour, with each shift expecting eight hours of work. With the daily wage coming to an odd number and the scrip money being issued in \$1.00 denominations, attention was given to make sure earnings would come out even by requiring workers to work a little longer than 8 hours one of the days. When the three days of work were up, the heads of the households were paid eight

⁷ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

⁸ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

⁹ Mason City Scrip Advertisement, May 8, 1933.

¹⁰ Letter by Lester Milligan, n.d., #1, Scrip Archive, Mason City Public Library, Mason City, IA.

dollars.¹¹ By using a simple purchasing power calculator, the \$8.00 offered in 1933 would be equivalent to \$146.00 in 2015 based on real prices, which were used to purchase basic goods and services.¹² Wagner reminded citizens to, “Think of the men who worked on that road and of the dependent women and children who were cheered to see the yellow scrip dollars come home - perhaps the first real money which those families have seen for months.”¹³

In addition to the workers specifically employed to construct the road, fifteen more men were able to continue working at the rock quarry handling the sand and the grout.¹⁴ Stoddard’s Quarry was responsible for supplying the rock, and the Ideal Sand and Gravel Company as well as Henkel Construction were responsible for the grout mixture consisting of water, cement, and sand.¹⁵ The benefits of the manufacturing-wholesale-retail advantage of Mason City stated earlier by Milligan was apparent with the scrip program, for he was cited saying, “Mason City is being frankly selfish in constructing this experimental type of road for a lot of her employment depends upon cement, sand, and gravel and if it can be promoted as a surface for secondary and lighter travelled roads, it will help employment in Mason City through the stimulation of the sale

¹¹ Letter by Lester Milligan, n.d., #1, Scrip Archive, Mason City Public Library, Mason City, IA.

¹² "Relative Values - US of \$8 from 1933 to 2015," *Measuring Worth* (last modified 2017), <https://www.measuringworth.com/uscompare/relativevalue.php> (accessed March 26, 2017).

¹³ *Mason City Globe Gazette* (Mason City, IA), June 20, 1933.

¹⁴ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

¹⁵ *Mason City Globe Gazette* (Mason City, IA), June 9, 1933.

of Mason City product.”¹⁶ Wagner reiterated this point by noting the use of crushed and coarse gravel in the road. “We believe that this experimental piece of road will result in an increased demand for Mason City road building materials and likewise increased employment for Mason City labor.”¹⁷

This proposed selfishness was nothing but beneficial for Mason City as it helped multiply the influence of the scrip project immediately and in the future throughout the community. In all, the road project was carried out for roughly eight weeks during the months of May and June of 1933. During that time, the number of individuals only receiving road construction work with the bi-weekly rotation calculates close to 400 people. Wagner said, “We do not know of any other project on which such a larger portion of the amount expended would have gone to labor.”¹⁸

To encourage connection and city growth, building a road to connect the city was the second stated goal of the scrip program. Although there were many unique and creative ideas generated by Mason City residents and published for all to see, in the end, building a road deemed “Project #1” was selected. Even after the road was selected and completed, people saw the success of the program and continued to voice support for other similar projects.¹⁹

The goal of the committee in charge of the development work (Wagner, Henkel, and Milligan) was to complete a scenic road that connected the northeast part of the city

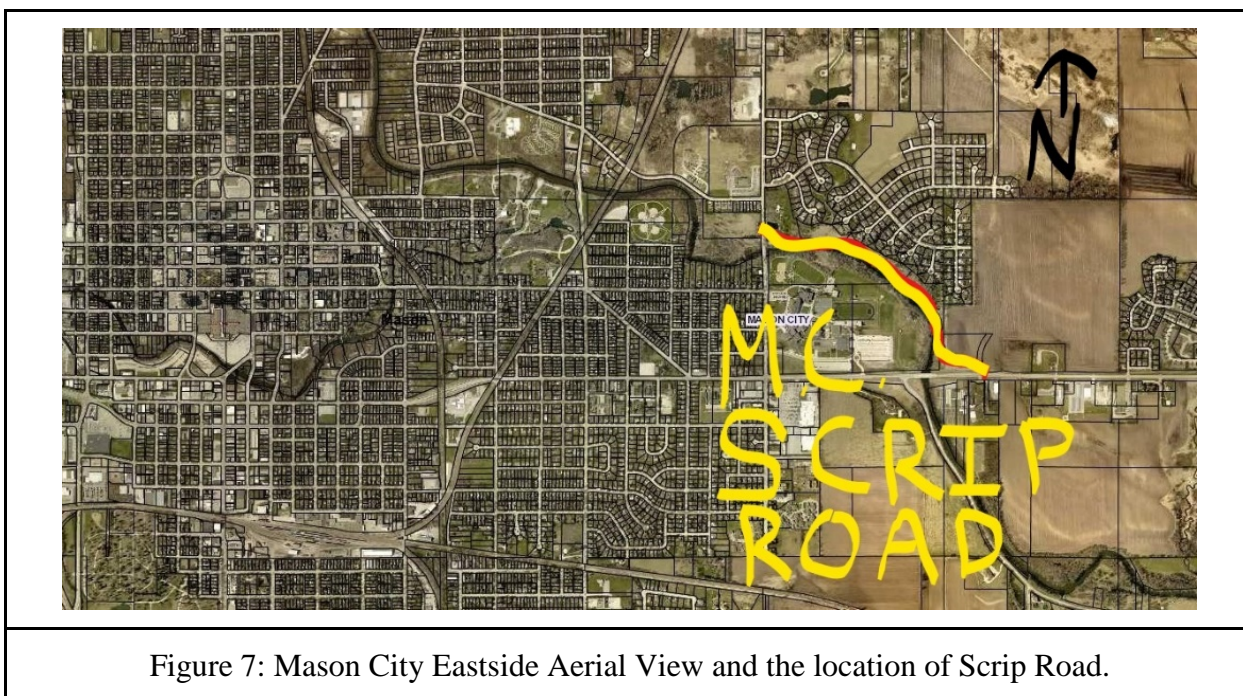
¹⁶ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

¹⁷ *Mason City Globe Gazette* (Mason City, IA), June 20, 1933.

¹⁸ *Mason City Globe Gazette* (Mason City, IA), June 30, 1933.

¹⁹ *Mason City Globe Gazette* (Mason City, IA), July 3, 1933.

to East Park, Mason City's largest and most beautiful park. Not entirely unknown, the selected site for the road project had been previously surveyed and recommended in 1923 by Rollin S. Wallis. Wallis was working for the Iowa State College engineering extension staff and was studying the city as a typical city for a town planning project.²⁰ Consisting of a length roughly that of $\frac{3}{4}$ of a mile, with a width of 16 feet, and a depth of 6 inches, the road connected South Illinois Avenue to Highway No. 18, just past the Taylor Bridge (see Figure 7).



E.H. Wagner, the chairman of the general committee, believed the road to be a contribution to Mason City beyond its natural appeal, with a potential future expansion in

²⁰ Letter by Lester Milligan, n.d., #1, Scrip Archive, Mason City Public Library, Mason City, IA.

mind for the road to the west where it would connect with North Carolina Avenue via Sixth Street northeast.²¹ Located on the East side of Mason City and running along the northeast bank of the Winnebago River, the road was unofficially titled “Riverside Drive” immediately following its creation. The road was regarded as the beginning of a beautiful, scenic drive and the public was welcomed to come and inspect it and to see what their community had created (see Figure 8).²²



Figure 8: Picture of Scrip Road Today. Nestled along the Winnebago River (formerly known as Lime Creek when Mason City was initially founded) looking southeast still remains to this day. The referenced name has changed from Riverside Drive to Scrip Road to Birch Drive.

The third goal was to experiment in the road building process using a macadam road surface. The macadam road surface was nothing new in terms of road technology. With varied uses in Europe since the 1800s, this road building type and process

²¹ *Mason City Globe Gazette* (Mason City, IA), June 30, 1933.

²² *Mason City Globe Gazette* (Mason City, IA), June 20, 1933.

eventually crossed the Atlantic Ocean.²³ In the United States, the macadam road surface had been used in the East but was a relatively new and unique process of building a road in the Midwest.²⁴ It was billed at the time of construction as the first attempt to build a road like this west of the Allegheny Mountains. The overall plan for the road was to use it as a secondary road for city streets or as a light primary road.²⁵

Wagner is quoted, “It is a contribution to the evolution of road building in the middle west. Highway engineers from several states have inspected this work and found it good. If it stands up, as I have every reason to believe it will, there will probably be a lot of it put in during the next few years.” In the end, Wagner’s assumption proves to be true as Elmhurst, Illinois, experimented in similar road construction. Looking to improve the final product and reduce the price, a visit to Mason City in early July of 1933 was warranted by an engineer from Illinois.²⁶ Additionally, MacNider reiterated the macadam road surface was ideal for a boulevard system and highlighted the price of the project as a whole. Compared to a reinforced concrete road, the construction expense was said to be done on at a third or fourth the cost.²⁷ To emphasize the quality of the road, Wagner felt compelled to mention that no corners were cut in terms of labor or a lack of attention given.²⁸

²³ *Mason City Globe Gazette* (Mason City, IA), July 6, 1933.

²⁴ Letter by Lester Milligan, n.d., #1, Scrip Archive, Mason City Public Library, Mason City, IA.

²⁵ *Mason City Globe Gazette* (Mason City, IA), May 25, 1933.

²⁶ *Mason City Globe Gazette* (Mason City, IA), July 6, 1933.

²⁷ *Mason City Globe Gazette* (Mason City, IA), April 20, 1933.

²⁸ *Mason City Globe Gazette* (Mason City, IA), June 30, 1933.

A visit from the Iowa State Highway Commission in late May of 1933 was warranted to view the construction, which included the chief engineer Fred R. White; C. C. Coykendall, the administrative engineer; and the material engineer Bert Meyers. In addition, the Board of Dubuque County Supervisors visited and other boards were expected to visit as well. To give the official judgement of the road were commissioners O. J. Ditto, of Sibley, and W. D., Archie of Sidney.²⁹

Inquisitive about the materials and process used to create the road, out-of-state visitors and representatives from Minnesota, Missouri, and Illinois, came to look at the project in late June of 1933. Curiosity seemingly drove chief engineer Frank Cutler from the Missouri State Highway Commission to Mason City for verification on the process and back to Jefferson City, Missouri, all in the same day. Cutler was very impressed and pictured many possibilities for the road's usefulness. Along with Cutler was the district engineer with the Portland Cement Association, H. E. Fresh from St. Louis, Missouri, who was also extremely interested in the product. Engineer of the Midwestern district C. D. Franks from Chicago, Illinois; district engineer F. S. Altman, from Minneapolis, Minnesota; and district engineer W. H. Steiner, from Des Moines, Iowa, were also in attendance for the Portland Cement Association. All looked over the project enthusiastically and envisioned the potential for this type of road building in the future.³⁰ With fourteen projects slated in 1933, the Portland Cement engineers recommended this

²⁹ *Mason City Globe Gazette* (Mason City, IA), May 25, 1933.

³⁰ *Mason City Globe Gazette* (Mason City, IA), June 20, 1933.

type of road building process for lightly traveled roads and streets, alleys, driveways, and for such structures as tennis courts.³¹

A very detailed description of the road construction process was provided by Milligan which supports the serious, thought-out planning of the actual road building project and the potential interest it may draw from future parties. First to be completed was the grading of the road, which was all done by hand. Earth was taken from each side ditch and placed on the roadway where it was then leveled. Secured by steel pins, modified six inch steel forms were used to outline and build the road structure. For the majority of the road (3,335 linear feet) crushed limestone was used as the coarse aggregate and as an experiment (485 linear feet) gravel pebbles were used. It was found that both were comparable in terms of ease to grout, roll, and finish.³²

This mixture of coarse aggregate was used and sub graded by hand to a loose depth of 7½ inches. To continue with the experimentation, instead of rolling the stone prior to the grouting, which was custom, the mixture was left to settle and penetrate in hopes that it would become more secure. Mixing the grout at the central plant and hauling it to the road was the next step. A dry measurement combination of one sack of cement and two cubic feet of sand was combined with about six gallons of water to get the desired mix. To help estimate the materials used, 11 sacks of cement were required per cubic yard of grout.³³

³¹ *Mason City Globe Gazette* (Mason City, IA), July 6, 1933.

³² Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

³³ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

As the trucks arrived to dump the grout, particular attention was given to eliminate any sort of rut that displaced the stone. This was also apparent with the process of actually applying the grout to the stone. As the grout traveled down the chute, the speed that it traveled was controlled by three baffle plates as it entered the distributor box. At the bottom, one inch diameter holes were spaced three inches across to direct the grout in a very fixed manner. It was ideal to have the grout flow forward into the stone to prevent air from being trapped in the voids which would prevent perfect penetration. As this process moved on, a crew of three men swept any excess grout forward.³⁴

After grouting, a level check of the road's surface was done, which did not take long. Coarse aggregate was moved to a suitable location - filling the low troughs and reducing the high peaks. A small three-wheel roller weighing about 4½ tons was used until all the coarse aggregate was submerged and excess grout and water mix were visible on the surface. The roller stayed 8-10 inches away from the steel forms and the tamping was done by hand in those locations. The surface was rechecked with a 16-foot straight edge, again moving material where it needed to be and was then hand tamped into place. Once more, the surface was rolled and excess grout swept forward. The end goal was to compact the material so the road would reach a thickness of six inches.³⁵

To finalize the surface, a brushing was done with a broom with later finishing down via belting (which ended up being the preferred method). The last step was to cure

³⁴ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

³⁵ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

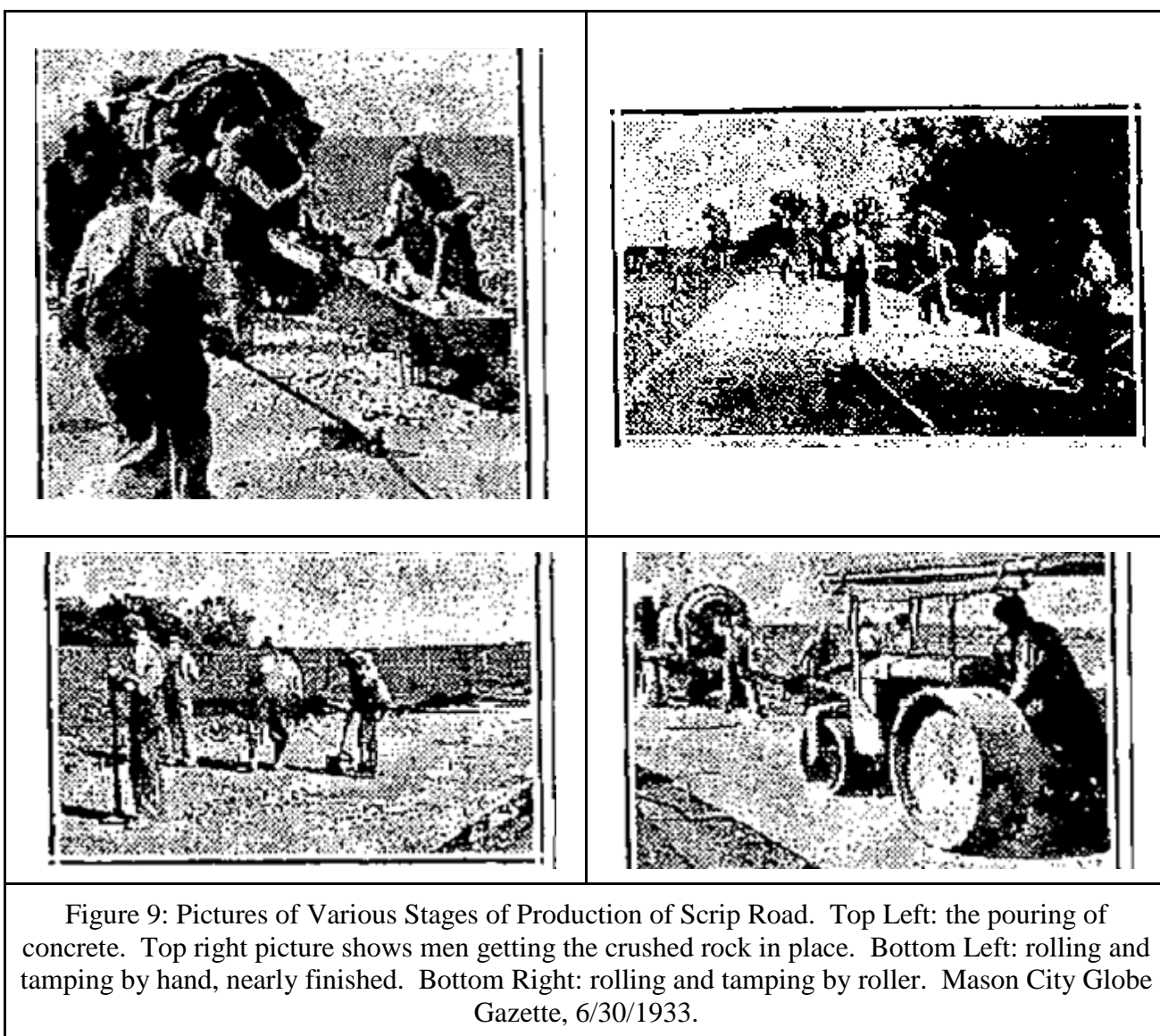
the surface. Placed on the road surface for seven days was a layer of wet burlap accompanied by earth. Constant checks were needed to watch the level of penetration by the grout and a comparison of the grout used in contrast with the grout estimated was recorded. A small sample size of grouting was done just beyond the header which was also monitored. In addition, night stops and examinations of small sections of the completed work to look for honeycomb (which is undesirable for road construction) were performed (see Figure 9).³⁶

The number of tools used were kept to a minimum and it is noted that equipment cost was six cents per square foot. The small tools used were purchased outright, with the balance of the larger equipment rented. The following is a list of the tools used: three truck mixers, one triplex pump, 1000 feet of steel forms, one austin pup roller, small tools (hose, etc.), one Ford truck, hauling forms, and shoulder material, etc.³⁷ With the completion of the road, Milligan said, "To the road itself, it seems to be good and solid and well able to stand heavy traffic, although, of course, time will be required for a complete proof as to its wearing qualities. So far it is very satisfactory (see Figure 9)."³⁸

³⁶ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

³⁷ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

³⁸ Letter by Lester Milligan, "MASON CITY, IOWA, PAYS FOR CEMENT BOUND MACADAM WITH SCRIP," n.d., #3, Scrip Archive, Mason City Public Library, Mason City, IA.



The fourth and final goal of the scrip money plan was to stimulate the local economy. Leading the way for this charge was the injection of an additional \$10,000 of self-liquidating scrip currency, which was issued by the Mason City Chamber of Commerce (see Figure 10). The sale of stamps was offered in Mason City at First National Bank and Northwest Savings Bank. First National Bank performed as the

clearinghouse to help ensure a fluid process of getting scrip to the correct places for continued distribution.³⁹ Warned of the potential build-up of scrip in certain businesses (also known as congestion), the clearinghouse would take the excess scrip within the program and would help assist in the recirculation process. The scrip would reappear again into the local economy to encourage continued circulation.⁴⁰

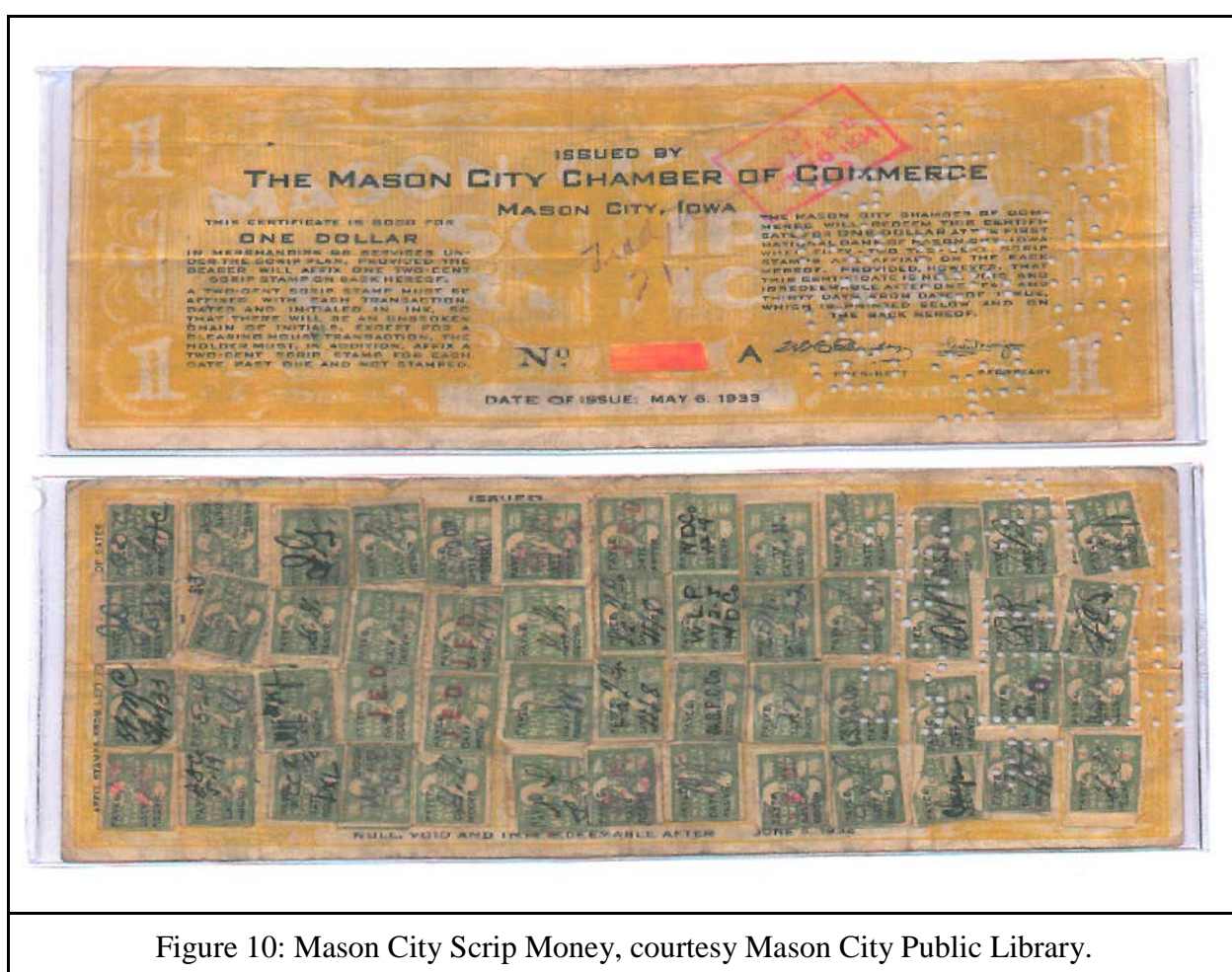


Figure 10: Mason City Scrip Money, courtesy Mason City Public Library.

³⁹ *Mason City Globe Gazette* (Mason City, IA), April 20, 1933.

⁴⁰ Letter by Lester Milligan, "MASON CITY, IOWA, PAYS FOR CEMENT BOUND MACADAM WITH SCRIP," n.d., #3, Scrip Archive, Mason City Public Library, Mason City, IA.

Stated on the face of the scrip was the \$1.00 value as well as the statement of what the scrip was. The statement briefly described what the money could be used for, the proper initialization procedure by those using it, where it could be redeemed, and how long the scrip was good for. On the back was the layout for the stamping process. As described earlier, the signatures of numerous merchants provided the financial backing of nearly \$20,000 was impressive, as was the plurality of businesses around Mason City that supported the scrip money and were willing to take a certain amount of it each week for payment.⁴¹

In order to retire each \$1.00 of scrip issued, 52 stamps worth 2-cents each were needed to be placed upon the back in one of the 52 designated rectangles. The extra 4 cents paid the overhead of printing the scrip and other associated expenses. The scrip currency was valid one year and thirty days from the time of issue in order to be properly retired. The date of issue was printed on the front and back of the scrip to be a constant reminder. If not returned in time, the value was null, void and irredeemable.

Every transaction that was completed with the scrip currency required a 2-cent stamp to make the action official. The stamps, which were purchased by the participating businesses, came into play when a customer offered scrip for payment. The customer would be sold a 2-cent stamp to put on the scrip. As a security measure, a chain of initials throughout the stamped rectangles was needed to retire the scrip and prove the validity of those who exchanged the scrip if necessary. In situations where the purchase

⁴¹ Letter by Lester Milligan, "MASON CITY, IOWA, PAYS FOR CEMENT BOUND MACADAM WITH SCRIP," n.d., #3, Scrip Archive, Mason City Public Library, Mason City, IA.

was less than 50 cents, two stamps were required instead of one. Another way to pass the scrip through the economy was paying the wages of employees or buying local products. With all the previously listed cases, the importance was in the attachment of the stamp to retire the money as quickly as possible.⁴²

Milligan reported that scrip would be accepted by the telephone, electric, and gas companies to take \$1 each on less than \$10 or 10 percent on bills over \$10. In addition, he shared that many businesses were in discussions on possibly using scrip as part of their payroll.⁴³ The excitement of the scrip project found interest from the city council and discussions were held on how to extend the expected success of the project further by using allotted Reconstruction Finance Corporation money.⁴⁴

At the onset of the program in May of 1933, merchants were willing to take the scrip and eager to gain additional business. Cards were circulated around by participating business to the laborers offering special prices for those having scrip.⁴⁵ Additionally, advertisements in the local media were marketed to those holding scrip (see Figure 11).⁴⁶ A unique example of those willing to accept the scrip money was a traveling airplane show, which advertised their willingness to accept up to \$100 of Mason City scrip.⁴⁷

⁴² Letter by Lester Milligan, "MASON CITY, IOWA, PAYS FOR CEMENT BOUND MACADAM WITH SCRIP," n.d., #3, Scrip Archive, Mason City Public Library, Mason City, IA.

⁴³ *Mason City Globe Gazette* (Mason City, IA), April 20, 1933.

⁴⁴ *Mason City Globe Gazette* (Mason City, IA), April 24, 1933.

⁴⁵ Letter by Lester Milligan, "MASON CITY, IOWA, PAYS FOR CEMENT BOUND MACADAM WITH SCRIP," n.d., #3, Scrip Archive, Mason City Public Library, Mason City, IA.

⁴⁶ *Mason City Globe Gazette* (Mason City, IA), May 9, 1933, May 10, 1933, and May 18, 1933.

⁴⁷ *Mason City Globe Gazette* (Mason City, IA), July 19, 1933.

<p>Figure 11: Advertisement Examples of Mason City Businesses Accepting Scrip</p>		
<p>Buehler Brothers Market, grocery. Mason City Globe Gazette 5/9/1933</p>	<p>Sam Raizes, department store. Mason City Globe Gazette 5/18/1933</p>	<p>W.G. Block Co., fuel. Mason City Globe Gazette 5/10/1933</p>

The first block of scrip was issued on May 6, 1933, and the last was offered July 8, 1933, meaning all scrip was to be redeemed by August 7, 1934. On the morning of Friday, June 3, 1933, scrip certificate No. 5,000 was presented to the First National Bank for redemption by L. W. Bittner. Bittner, an employee at the Northwestern States Portland Cement Company, received the first dollar from the retired program.⁴⁸ Although scrip certificate No. 5,000 was purposely accelerated to be retired to show the redemption process, many of the other certificates had at least half of the rectangle boxes filled with stamps by early June of 1933, and Mason City businesses were looking to

⁴⁸ *Mason City Globe Gazette* (Mason City, IA), June 9, 1933.

organize a special event to encourage the turnover of the money.⁴⁹ A large number of businesses said it helped by, “Stimulating quick purchasing and collections. People who found themselves with it in quantity wanted to move it quickly, either to buy new merchandise or to pay bills.”

The hope was that the scrip would be passed through multiple businesses at a faster pace than once a week to encourage economic growth. If there was a lack of velocity present in the circulation of the scrip, a minimum of one stamp was to be placed on the proper rectangle on the back per week by the holder of the scrip. This hybrid option of transaction-based (aligned with Hawarden’s plan) and dated stamp (aligned with Fisher’s plan) was seen as an upgrade and the best of both types as compared to other scrip plans practiced.⁵⁰ With the hybrid option and people wanting to rid themselves of scrip, Mason City scrip was able to circulate faster than regular money during the time it was in practice.⁵¹

Scrip recipients looked to spend their money with the first payment of \$1,000 provided on May 6, 1933, and the second payment of \$500 provided on May 11.⁵² Even with the many notifications and preparations over the correct procedure, reminders were needed on how to properly attach the stamps, who should buy the stamps, and how the program functioned (see Figure 12).⁵³

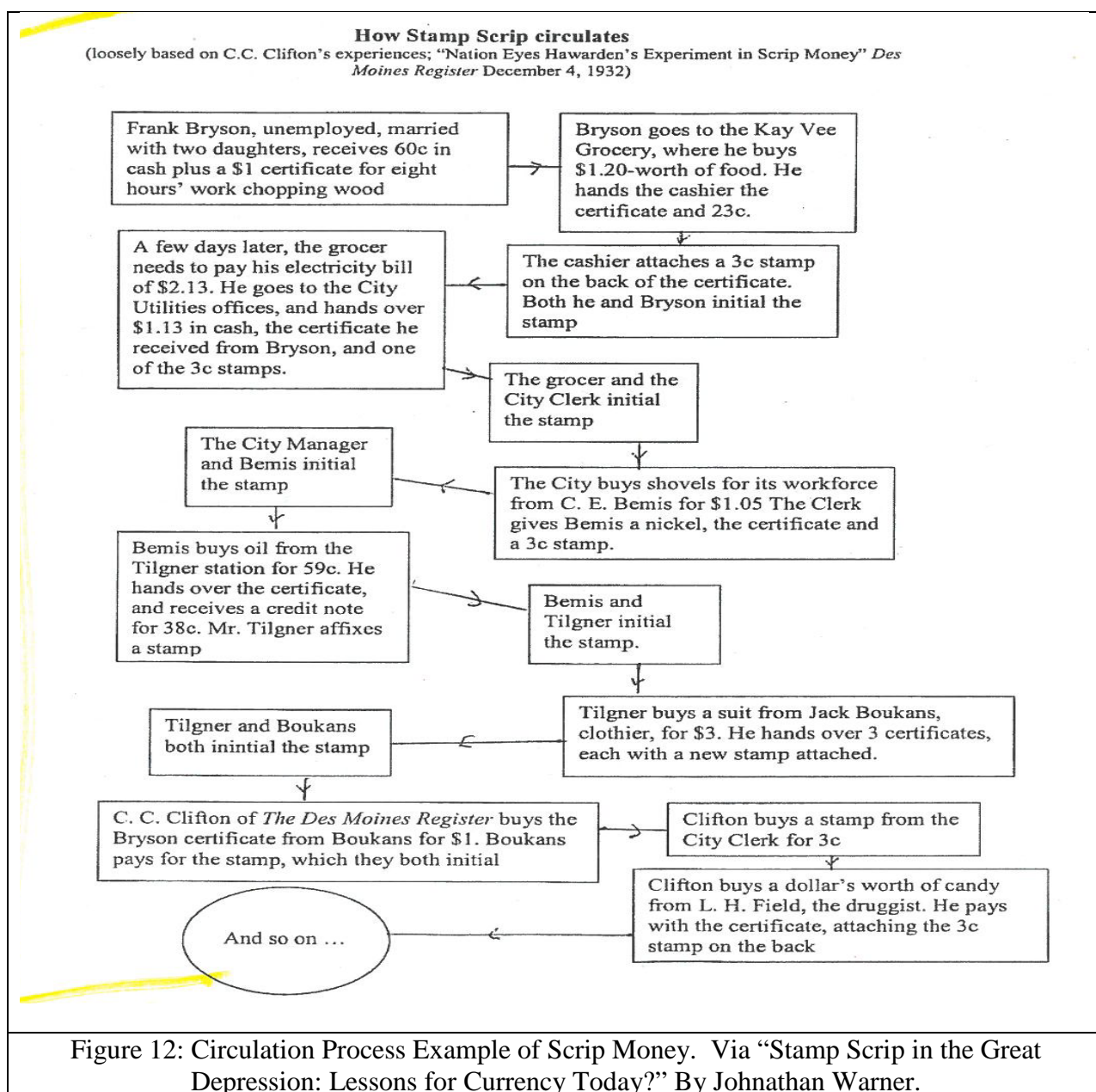
⁴⁹ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA..

⁵⁰ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

⁵¹ Godschalk, "Does Demurrage," 58-59.

⁵² *Mason City Globe Gazette* (Mason City, IA), May 6, 1933, and May 11, 1933.

⁵³ *Mason City Globe Gazette* (Mason City, IA), June 1, 1933.



The Mason City Globe Gazette public articles about fictional companies like "E-F and G" and "H-I and J" were used to explain hypotheticals that could happen if the rules were broken. Such rules specifically reviewed were situations when merchants did not charge the extra 2 cents when the bill was under \$1.00 or when people did not affix the

necessary stamp for the transaction when there was already a stamp in the allotted time-based weekly rectangle. All of this was to reaffirm that the program was implemented to support the locally unemployed and create a useful project for Mason City residents in the future. The article ends with, “While we all feel that business is on the mend unemployment will not be solved in a day or a week and somewhere, somehow we must provide for these families. Let us make this unemployment relief project successful by cooperation in every detail.”⁵⁴

As the road project reached the halfway point in early June, the committee held a meeting where enthusiastic comments were shared by all in attendance and the project was deemed a success up to that point.⁵⁵ Merchants were encouraged to accept as much scrip as possible, as the committee pointed out, “It is, however, evident that the merchant who takes 100 percent of the his scrip will have a decided advantage over those who place limits on scrip amounts, for he naturally will get more business and since he is assured of the scrip committee’s willingness to take excess amounts off his hands this entails little risk.” A local ad cheering on the program emphasized businesses that were willing to take on 100% of scrip for payment. It tried to reinforce for the citizens the positives, such as newfound confidence and fame for the city, in addition to the city infrastructure, increased business, and the gratitude for all who had been willing to participate (see Figure 13).⁵⁶

⁵⁴ *Mason City Globe Gazette* (Mason City, IA), June 1, 1933.

⁵⁵ *Mason City Globe Gazette* (Mason City, IA), June 1, 1933.

⁵⁶ *Mason City Globe Gazette* (Mason City, IA), June 17, 1933.

Let's Go, Mason City!

Make Civic Project Number One a Success

.... it has brought new confidence, self-support and self-respect directly or indirectly to hundreds of our good citizens

.... it has brought new fame and renown to our city—a new type of road to this part of the world—just as we gave through contribution the first paved mile of highway to Iowa

.... it forms the initial unit of what may well become the finest park boulevard system of any city in the state

.... it is adding in the turnover of scrip half a million dollars in new business to Mason City this year

We Will Accept Mason City Scrip 100 Per Cent

ACCOUNTANTS & ATTORNEYS

E. S. Gage Chas. E. Cornwell
R. C. Patrick M. C. Coughlin
Garfield E. Broese Fitzpatrick & Barlow
H. J. Bryant Frank Chambers
R. P. Cough
Remley Glass & Howard Remley
Stanley Haynes Geo. Ludeman
Morris Laird Marty & Butler
N. Levinson L. A. Moe
Jay Lorenz Sennett, Bliss & Sennett
Gibbs-Cook Company

AGRICULTURAL IMPLEMENTS

Gibbs-Cook Company

AUTOMOBILE ACCESSORIES

Allstat Battery Service
Central Battery & Electric Co.
Combs Tire & Battery Service
Donnelly Service, Inc. Joe Daniels
Vern Howard Service O. Gregerson
Jacoby Battery & Electric Co.
Lien & Nelson Jackson Battery
M. C. Battery & Electric Co.
Lindquist Peterson Garage
Mulligan & Son Ulen Auto Body

AUTO DEALERS

Birum-Olsen Co. North Iowa Motor Co.
Lapiner Motor Co. S. & R. Chevrolet Co.
Wagner Motor Co.

BARBERS & BEAUTY PARLORS

D. E. Avise Davis & Longley
Golden Oak Barber Shop
LeModerne Beauty Studio
Model Barber Shop Schlick & Krall
Palais Beauty Shop Scott & Smith
Lillian Reid's Beauty Shop
Tracy's Barber Shop
O. M. Williamson Steve Wilson

BEVERAGES

Paul Wanghtal

BROKERS & INVESTMENTS

C. E. Brooks & Co. E. W. Clark & Co.
Home Loan & Finance Co.
Investor's Syndicate
Mason City Loan & Investment Co.
Midland Investment Co.
C. L. Pine Loan Co. A. M. Schanke & Co.
A. H. Runcie Finance Co.
United Financial Service

BILLIARDS, BOWLING, TOBACCO

H. C. Boyd Co. Elite Club
Scherping-Pool Hall Ted Ransom & Son

BOX COMPANIES

Webster Bros. & Conover Co.

BUILDING INDUSTRIES

Henkel Construction Co.
Mason City Builders Supply Co.
M. M. Moen Construction Co.
Ray E. Pauley Co.
Peterson Roofing & Supply Co.
Rye Construction Company
N. W. States P. C. Company

COAL, LUMBER, GRAIN

Allison Coal & Fuel Co.
Chapin-O'Neil Coal Co.
Consolidated Coal & Coke Co.
Crystal Lake Ice & Fuel Co.
Fullerton Lumber Co.
L. A. Moore Lumber Co.
Northern Lumber Co.
Sterling Coal Co. Wagner Coal Co.
Webster-West Lbr. Co.

COLLECTION AGENCIES

Security Collection Bureau

FIVE & TEN CENT STORES

S. S. Kresge Co. J. S. Federal
S. S. Kresge Co. J. N. Federal
J. J. Newberry Co.
F. W. Woolworth Co.

FLOUR COMPANIES

Northwestern Distributing Co.

FURNITURE, HARDWARE, PAINTS

Boonhower Hardware Co.
Chapman Furniture Co.
Currie-Van Ness Co.
M. C. Hardware Co.
Mason City Paint Co.
Tyler-Ryan Furniture Co.
Mier Wolf & Sons

LAUNDRIES & CLEANERS

Ideal American Laundry Phalen Cleaners
Marshall & Swift, Inc. Conlin Cleaners
Mason City Laundry Lyons Laundry
Smith's Kinsley Cleaners

NEWSPAPERS, PRINTERS, PHOTO

Central Printing Co. Russell Studio
Co-Mo Photo Co. C. P. Shipley
Crescent Printing Co. The Stagles Press
Kirk Studio Wright Studio
M. C. Globe-Gazette

CREAMERIES & DAIRIES

Bryson Dairy
Farm Products Co.
Milblanche Dairy
Sanitary Milk Co.
Schermerhorn Farms

DEPARTMENT STORES & MEN'S CLOTHING

Abel & Son Inc.
Betty Jane Dress Shop
Daimos, Inc.
Federal Clothing Co.
Fink Smart Apparel
Gilder Bros.
Larners
D. K. Lundberg Co.
Mason City Bros.
Palais Royal
J. C. Penney Co.
Ray E. Prusia Co.
Sam Raizes
Jordan & Fields
Hughes Co.
Loftis Millinery

DENTISTS

G. N. Beemer
C. C. Carrick
M. O. Crawford
H. E. Cunningham
Don Fitzgerald
B. C. Higgins
J. E. Hynds
Dr. H. K. Jones
R. F. Kunz
M. D. McMichael
W. O. Mauch
C. L. Meade
T. A. Neffleton
J. L. Pauley
Hardy F. Pool

DRUGGISTS

Kilmer Drug Co.
Michael Drug Co.
Weed's Pharmacy
Casey Drug Co.
Ford-Hopkins Co.
Huxtable Drug Co.

FLORISTS

Kemble's Greenhouse

JEWELERS & OPTICIANS

C. E. Blanchard
H. W. Knutson
Leeper Jewelry Co.
Livergood Bros.
E. J. Murray
Ray Seney
Smith Optical Co.

GROCERIES & MEATS

Retail

Atlas Meat Market
Buehler Bros.
Ziff's Grocery
Barrett Bros.
Bluebird Grocery
Henry Bittven
Central Food Market
Chicago Meat Market
Gene Curtis
Cut Rate Grocery
Dahl Grocery
Peter Ebeling
Evia Meat Market
Great A. & P. Tea Co.
Willson Grocery
Glanville Bros.
Carl Grupp Food Shop
Hawkins Meat & Grocery
Walter S. Lawrence
Honey McEldon
Marsden Grocery
Marsh & Son
Harry Mitchell
Munsinger Grocery
Olson & Kossack
Orange Front Grocery
Samuel Shapiro
Shannon Grocery
Spencer Grocery
Lender Grocery
Stop & Shop Food Market

Wholesale

Vance Music Company
Office Supplies, Books, Paper
Lehman & Stock
Yelland & Hanes

PETROLEUM PRODUCTS

Isbell Oil Co.

HOTELS & RESTAURANTS

Cerro Gordo Hotel
Green Mill Cafe
Princess Cafe
Park Inn Hotel & Cafe
Sanborn's Restaurant

ICE CREAM COMPANIES

Birdsall Ice Cream Co., S. Federal
R. Birdsall Ice Cream Co., N. Federal

INSURANCE

G. S. Avery & Son Bracken Ins. Agency
Cedar Rapids Life Ins. Co.
R. W. Fischbeck
Huffman-Urem Ins. Agency
The Ralph Lloyd Jones Co.
Max G. Kinsiek Walter J. Walker
Physicians & Hospitals
R. E. Brichine E. McEwen
C. E. Dakin Steve A. O'Brien
C. M. Franchere Park Hospital Clinic
Drs. Weston & Weston
Fallows & Chenoweth Dr. V. A. Farrell
Dr. Madeline Donnelly

PLUMBING, HEATING, ELECTRIC SUPPLIES

W. J. Daly Co. Zask Bros. Elec. Co.
H. C. Detmerman

PORK PACKERS

Jacob E. Decker & Sons

RADIO EQUIPMENT COMPANIES

Paul's Radio Service

SPORTING GOODS

M. C. Sporting Goods

SHOE COMPANIES

Iowa Shoe Brokerage G. R. Rinney Co.
Tradehome Shoe Co. Laird Shoe Co.
Robinson's Shoe Market Miller-Jones Co.
Stevens Shoe Co. Layman's Shoe Co.
Panor's Shoe Store

SHOE REPAIRS

Busy Bee Shoe Hospital
Central Shoe Shop Service Shoe Shop

TAILORS

Glasgow Tailors

TEA COMPANIES

Iowa Tea Company

TENTS AND AWNINGS

M. C. Tent & Awning Co.

THEATERS

Cecil, Palace, Strand, Iowa Theaters

TRANSFER & STORAGE

Jefferson Trans. Co.

UNDERTAKERS & CEMETERIES

Memorial Park Cemetery
Meyer Funeral Home
Patterson Funeral Home
Randall Funeral Home

MACHINE SHOPS

Thomas Machine Co.
M. C. Marketing Co.
Stoddard Stone Products

On Behalf...

of the merchants, who get the scrip at least every other transaction, on the average, it should be explained that a minimum of a 50 cent purchase is required and all participants are pledged not to give change for a scrip dollar unless that much is purchased. When the purchase with scrip is over 50 cents and less than \$1, the receiver also takes 4 cents instead of 2 cents. Otherwise, he would be taking a 2 cent discount on a 50 cent transaction, which is 4%. This is more than he can be expected to take on repeated transactions.

This . . .
Announcement
Paid for
100%
In Scrip

Figure 13: Mason City Scrip Promotion, *Mason City Globe Gazette*, 6/17/1933.

With the road project coming to a close in late June, the public was again nudged to continually distribute the scrip as even a simple acceptance of \$1 for change in transactions done by numerous people would make a substantial impact. Those who had sparse exposure to the scrip were rallied to partake and spend in places that saw little. According to a local newspaper article, “If the scrip could circulate evenly among all of nearly 400 participants in the project it would not be a burden to any one business house. However, this does not seem possible. There are a few that get little or none, while others receive it in large quantities.” Although the accumulation of scrip in certain stores (such as food stores and retail stores) was a nuisance and somewhat expected, the project was still considered a success. All of the \$10,000 was in circulation during early July and the scrip money was being more accepted and passed around with less difficulty.⁵⁷ Highlighting the fourth goal was the turnover of the 10,000 certificates, which created \$520,000 worth of business when affixed with 52 stamps, very sizeable indeed.⁵⁸

Scrip Road is Completed

The public was invited on June 30, 1933, to see the completed road project as the finishing touches were wrapped up and the final \$200 paid out. E. H. Wagner commented on how useful the road was towards employing citizens, the fine quality of the road itself, and the dedication the community provided. Hopeful for the future, Wagner beseeched Mason City citizens to, “Cheerfully accept the scrip dollars in

⁵⁷ *Mason City Globe Gazette* (Mason City, IA), June 21, 1933.

⁵⁸ *Mason City Globe Gazette* (Mason City, IA), July 31, 1933.

business transactions and for change in other transactions and that you pass them on as rapidly as possible. We thank the public for their hearty cooperation during these first two months and earnestly solicit its continued interest.”⁵⁹ With the scrip money payroll complete, the Mason City Chamber of Commerce was concerned with citizens and out-of-town collectors looking to keep a piece of history as there was a belief it would be worth more after the program was over than during.⁶⁰

As the year 1933 came to a close, Mason City and its Chamber of Commerce reflected back on a year full of significant changes. Early in 1933, the people of Mason City had a real question concerning what they would use for money. To many, the local efforts made by the Chamber to step up and answer the call was evident with the scrip road program. Seen as a way to help many citizens, the program encouraged money circulation, jobs for the unemployed, road construction experimentation, and increased business. With the road project complete, the community had a good time making fun of the whole project. The city council was “burlesqued” at the end of the year Chamber of Commerce celebration as the project was presented in a humorous manner, which consisted of some “considerable rassing.” Not done with their creativeness and resourcefulness, a song was composed which friendly teased the efforts of those involved (see Figure 14).⁶¹

⁵⁹ *Mason City Globe Gazette* (Mason City, IA), June 30, 1933.

⁶⁰ *Mason City Globe Gazette* (Mason City, IA), July 14, 1933.

⁶¹ *Mason City Globe Gazette* (Mason City, IA), December 31, 1933.

“Down the old scrip road. Though you’ll never find out where it is by looking in maps, by a little investigation you’ll discover perhaps. The proposition is not cement; but just a composition. Is the old scrip road, the old scrip road. Scrip stamps can pay any old antique debt. If others refuse them, try the Globe-Gazette. The road begins just nowhere and ends not far away and it’s rougher than a sinner’s final day. In a moment of delusion, we take scrip here today. In a year of confusion for the damn stamps we pay; so quit mumblin’ and grumblin’ o’er that rocky road to Dublin. The old scrip road, the old scrip road.”⁶²

Figure 14: Lyrics to “The Old Scrip Road”

Filling the Void

Sandwiched in, around, and between the efforts to resolve macroeconomic issues by President Hoover’s mostly voluntary attempts and President Roosevelt’s forceful government, the efforts of scrip in Mason City were driven by local community efforts on a microeconomic scale. The depths of the Great Depression in the winter of 1932 and into 1933 vitalized the efforts by staunch, determined citizen’s intent on finding alternative ways to cure the prevailing economic issues.

As the scrip medium of exchange continued to circulate in Mason City in late 1933 and early 1934, enthusiasm slightly waned as there was a realization that the scrip would not be retired as quickly as originally anticipated. Circulation slowed and indicated that the scrip would not be retired until ten to eleven months from their release

⁶² Mason City Globe Gazette December 31, 1933.

date. Thankfully and wisely, the usefulness of the clearinghouse was seen as it helped allocate the stamps to large employers in Mason City who took more on during peak moments. The Northwestern States Portland Cement Company agreed to purchase excess scrip from the clearinghouse twice each month to continue the process by putting it through their payrolls and other bills. In addition, rising to the occasion was the local school board, which bought enough scrip to pay the school teachers 10 percent of their salaries.⁶³

Although there was a clearinghouse present, food stores and retail stores received larger numbers of the scrip in comparison to professional people and other types of businesses. Secretary of the Chamber of Commerce Lester Milligan commented on the congestion issue by stating, "Certain channels such as the local jobbers and manufactures of grocers, bread, ice-cream, meat – food stuffs generally," were exposed to scrip more than others.⁶⁴ Specifically, the circulation was limited as Milligan stated, "By the fact that 49 firms bought and paid for \$6,966.00 of the \$10,620.22 worth of stamps sold. Not only did they pay the penalty, but so did their employees who took regularly home ten to twenty-five per cent of their payrolls in scrip and, of course, paid a correspondingly heavy tax for stamps. Most of the community never saw the scrip and carried none of the burden. Scrip was perceived by some as a general nuisance, provocative of argument and

⁶³ Lester Milligan, "The Stamp Scrip Experience of Mason City, Iowa," in Mitchell and Shafer, *Standard Catalog of Depression Scrip*, 312; and *Mason City Globe Gazette* July 31, 1934.

⁶⁴ Joel William Canady Harper, "Scrip and Other Forms of Local Money" (PhD diss., University of Chicago, 1948), 80-82.

ill feeling between buyer and seller, and of errors in bookkeeping and accounting.”⁶⁵

Mason City lawyer, Mr. Hugh H. Shepard, unfavorably said, “No one in the community would willingly go into another scrip certificate scheme.” Other comments by community members noted, “It was nothing more nor less than a transaction sales tax, a burden of which was borne very largely by retailers large and small.” While other residents felt, “I believe the scrip system might have merit if a wider circulation could be given it.”⁶⁶

In 1934, as August approached, the final call to redeem all outstanding scrip was issued. July 30, 1934, was signaled as the final day, although additional days were added on to turn in any unused stamps and certificate redemption.⁶⁷ The newspaper article over the Mason City scrip plan on August 11th was titled, “All But \$100 of Local Scrip Issue Redeemed: Only One To Be Carried To Full Success in U.S., Others With Large Issues in Country Forced to Take Up Paper.” This low number of unredeemed scrip was considered a major success considering some estimates had projected \$500 to be outstanding at the end.⁶⁸ Although the scrip was an extra stressor to some, the reminder to the community and those annoyed, “So was the depression!”⁶⁹

On a more truthful note, Milligan said, “The plan was developed and adopted during the extreme stress of January-April 1933, when none of us knew whether we

⁶⁵ Lester Milligan, “The Stamp Scrip Experience of Mason City, Iowa,” in Mitchell and Shafer, *Standard Catalog of Depression Scrip*, 312.

⁶⁶ Joel William Canady Harper, “Scrip and Other Forms of Local Money” (PhD diss., University of Chicago, 1948), 80-82.

⁶⁷ *Mason City Globe Gazette* (Mason City, IA), July 31, 1934.

⁶⁸ *Mason City Globe Gazette* (Mason City, IA), August 11, 1934.

⁶⁹ *Mason City Globe Gazette* (Mason City, IA), December 30, 1933.

would have any circulating medium or business of any kind left. Undoubtedly the turn for the better in public psychology and in business had taken away from the novelty and freshness of the whole idea.” In this context, it looks as if this was the reason why some areas of the program were lacking.⁷⁰ Milligan elaborated more about the project by saying, “The injection of this \$10,000 into the circulating media of Mason City has created some more problems for bookkeepers, auditors, and businessmen, but those who have jobs are accepting it willingly and paying the small two percent sales tax with each transaction and hoping and expecting that business conditions will so improve that when this issue is redeemed, no more will be needed in the present generation.”⁷¹

With the final scrip chapter ending in August of 1934, the community was relieved but at the same time proud. “This project ran into difficulties too numerous and too petty to mention but was carried through to a successful conclusion by the unflagging zeal and loyalty of Mason City’s businesses and citizens generally, who took it in payrolls, grumbled a little perhaps, but loyally stamped and stamped till the issue was retired as planned.” Mason City was reported to be at that point in time the only city with a large stamp scrip program to be carried out to a successful completion. Ultimately, the community was in possession of a strong ability to “stick to it.”⁷² This signaled the end of an interesting journey of a community’s resilience, creativity, and patience. Years

⁷⁰ Letter by Lester Milligan, "MASON CITY, IOWA, PAYS FOR CEMENT BOUND MACADAM WITH SCRIP," n.d., #3, Scrip Archive, Mason City Public Library, Mason City, IA.

⁷¹ Letter by Lester Milligan, n.d., #2, Scrip Archive, Mason City Public Library, Mason City, IA.

⁷² *Mason City Globe Gazette* (Mason City, IA), December 31, 1933.

later in an interview, local resident Anthony Pavek recalled, “They got a road down here, used to call it Scrip Road...because they give them scrip money...that helped them a lot, you know. They could buy groceries and stuff with that.” Additionally, resident G.G. Weida mentioned scrip helped the less fortunate as it was a way, “To keep the wolf away from the door.”⁷³

Rubric for Success

With the brief period of uncertainty about what would be used as money across the country in late 1932 and early 1933, the overall goal for most of the scrip programs around the U.S. was to find a way to survive the Great Depression. When discussing scrip programs, it would only be fair to look at each using an approach similar to cultural relativism and specifically look at what the stated starting goals are in contrast to the end result. Each community was responsible for finding the answer that fit best, and Mason City did that.

The first goal of the scrip project was to employ citizens, which was achieved. Mason City sought out and employed those needing work and paid them accordingly. Although not a complete replacement of previous full-time employment (which was not the stated goal anyway), numerous citizens on many levels received something worthwhile to do for their abilities while at the same time gave back to the community a resource at the present moment and for the future. The Mason City scrip project was truly a community-based without federal assistance necessary. Even with the federal

⁷³ Elvins, "Scrip Money," 221-245.

Reconstruction Finance Corporation money slowing down in the summer of 1933 and rumors of the scrip project ending earlier than expected, the project ultimately was completed, reinforcing a strong community-based spirit.⁷⁴

The second goal focused on improving and adding to Mason City's infrastructure with a new road, which was definitely achieved. In terms of the extent "to build a beautiful riverside boulevard" as many city leaders had dreamed about, however, is debatable. Nothing was immediately continued with the "riverside boulevard" after the project was finished. On the other hand, another way to traverse across the town was created which was useful, especially considering the growing popularity of the automobile. Overall, it was hard to argue the new road a failure as the road is still in useable existence today.

The third goal feeding on the scrip culture of experimentation was the test and trials of finding improved methods for road building. Designed to be labor intensive and to use materials found in Mason City, the road was ideal for that moment in time. A very detailed account describing the process from start to finish was provided. Logically, the only reason to offer such a comprehensive description was with hopes that others would similarly practice the same method in their locality. Influential visitors from around the state, surrounding states, and those in the cement industry cared enough to observe and visit, possibly taking home a few useful slices of information. With the attention to detail in the road building process, a prestigious and curious crowd, as well as a method fit for the time period, goal #3 was a success.

⁷⁴ *Mason City Globe Gazette* (Mason City, IA), May 22, 1933.

All of the previous goals of using experimental road building methods to connect the city by employing the unemployed were vital, however, the fourth goal of stimulating the economy was the driving force and principal purpose of the scrip itself. Although the scrip money did not circulate as quickly as the organizers optimistically had hoped for, in that window of time the solution to the vacancy of money was filled and completed by scrip. An infusion of \$10,000 of self-liquidating scrip resulted in an addition of \$520,000 of business for the community.⁷⁵ The merchants rallied behind the idea by pledging to support and accept the currency, advertising their acceptance, and supported the plan to conclusion. In the end, no additional money was needed to cover the program expenses as the final budget of the program reflected a positive total of \$319.97 (see Figure 15).

⁷⁵ *Mason City Globe Gazette* (Mason City, IA), July 31, 1933.

MASON CITY, IOWA AUGUST 13, 1934			
<u>STATEMENT OF MASON CITY'S \$10,000.00 SCRIP FUND</u>			
<u>RECEIPTS</u>			
	\$	\$	
Stamps sold to customers	10,620.22		
Deposits by Chamber of Commerce	11.04		
Credit turn-over of scrip pieces through Clearing House	<u>43,078.00</u>		
			53,709.26
<u>DISBURSEMENTS</u>			
Scrip pieces completed and cashed	9,882.00		
Expense;			
Lester Milligan, Sec'y Scrip Committee to pay items listed on Check #1	221.00		
Federal Tax	.94		
Alice Kolar, office	84.00		
Central Show Printing Co. extra Stamps	<u>11.53</u>		
Total Expense	317.47		
Refund to customers (stamps oversold)	95.82		
Debit Turn-over of Scrip pieces through Clearing House	<u>43,094.00</u>		
BALANCE IN BANK	<u>319.97</u>		53,709.26
<u>STAMP ACCOUNT</u>			
Stamps received from Central Show Printing Co.		11,381.00	
Stamps sold between Mar. 28, 1933 and Aug. 10, 1934	10,620.22		
Stamps used to replace	403.44		
Balance of Stamps on hand	347.00		
Short in Stamps	<u>10.34</u>		
		11,381.00	

Figure 15: Balance Sheet Statement of the Mason City Scrip Program, courtesy Lester Milligan, Scrip Archive, Mason City Public Library.

Looking back on the Mason City stamp scrip program, the definition of success is spelled out with the completion of the four goals stated; community and merchant

support; a wise and respected leadership team, with the ability to adapt; thorough research and a set-up of the desired outcomes; and a community willing to push the limits. Referring to these listed items as a definition, the final verdict for the Mason City scrip program was that of success (see Table 3). A community of action, perseverance, loyalty, and grit was very apparent. Secretary of the Chamber of Commerce Lester Milligan said, “I know of no other issue anywhere near the size of ours which was successfully carried through to conclusion.”⁷⁶

Table 3: Mason City Scrip Program Outcome Rubric			
<i>Criteria</i>	<i>Achievement Level</i>		
	<i>High</i>	<i>Moderate</i>	<i>Low</i>
Was a tangible item created?	X		
Did the project employ citizens in need of work?	X		
Was the community involved in the process?	X		
Was there support from businesses in the community?		X	
Was additional business created?	X		
Did the scrip complete circulation?	X		
Did the program fill a worthwhile void?	X		
Was the scrip designed within legal means?		X	
At the time, was there a suitable replacement program?	X		

⁷⁶ Joel William Canady Harper, "Scrip and Other Forms of Local Money" (PhD diss., University of Chicago, 1948), 80-82.

CONCLUSION

As a whole, scrip money has a unique and elusive history analogous to the actual product itself. The idea of scrip was created by Gesell to address financial deficiencies and was transformed in the United States by people like Elliott, Zylstra, and Fisher, as individuals and communities responded by issuing private money in the form of stamp scrip.¹ Scrip transformed into different types such as reputational scrip, bank and financial scrip, barter and self-help scrip, tax anticipation scrip, or stamp scrip, all of which had specific duties and reasons. Designed as a hybrid form of money, scrip was usually spawned during economic hardship and had a life of excitement similar to that of a get-rich-scheme. This was evident during the Great Depression, as scrip fought currency hoarding caused by the suspension of payments and bank failures which lead to frequent shortages of cash, all of which made it difficult for people to make payments.

The varied background of money and scrip should be a lesson to today's financial world. History is filled with examples where people had a need and found a way to fill it, as there no blueprint to conduct business if the timing and need is ripe for an alternative. Today, scrip has re-emerged alongside the idea of microfinance. Essentially, microfinance is a way to provide loans or resources to individuals who are usually poor and lack a traditional way to receive funding for a useful endeavor. The best way to promote this is through a business that is labor intensive, such as Lifewater Canada

¹ Bruce Champ, "Private Money in our Past, Present, and Future," *Cleveland Federal Reserve Economic Commentary*, January 2007,

(which assists in the creation of building wells) or with numerous church based projects. The first steps to making this sort of project work is providing the necessary capital to start a specific project, finding a worthwhile need, and reminding the people to keep the project going is for their self-interest and advantage.²

A version of microfinance is the example of the Great Barrington Deli Dollar which was created to support the relocation of the restaurant owned by Frank Tortoriello in New Hampshire. In 1989, Tortoriello was unable to obtain a bank loan so he was directed by a local organization, SHARE, in association with the Schumacher Society, to issue a form of scrip known as “Deli Dollars.” These were sold for \$8 in the old restaurant and redeemed for \$10 at the new location to create the necessary financial capital. The project was a success and a local citizen noted, “We’re not advocating a departure from national currency. We would like to suggest that regions could create their own currency based on something of value in that area.”³

Other examples where similar alternative currencies have been present are in Ithaca, New York; Madison, Wisconsin; and Burlington, Vermont, to name a few. All of these are unique examples of keeping money local to support local interests with the

² Jonathan Warner, "Microfinance without the finance: the possibility of scrip-based development funding" (paper presented at Universite Libre de Bruxelles, Universite Libre de Bruxelles, Bruxelles, Belgium, 2009), 1-20.

³ Stephanie Simon, “Cash-Strapped California’s IOUs: Just the Latest Sub for Dollars,” *Wall Street Journal* (2009), <http://www.wsj.com/articles/SB124846739587579877>, (accessed February 14, 2017); and Michelle Locke, “Restaurant Issues Its Own 'Deli Dollars,’” *Los Angeles Times* (last modified November 19, 1989), http://articles.latimes.com/1989-11-19/news/mn-215_1_alternative-currency, (accessed February 19, 2017). The Schumacher Society focuses on developing and promoting regional, sustainable and socially just economics.

hopes that the citizens living there keep their best interests in mind.⁴ Ultimately, whether microfinance via scrip or another evolution of money, in order for it to work, the community must have an understanding how money works in exchange for goods and services. Local input for the requested business is necessary as well as the general willingness to accept and circulate the scrip. In the end, there needs to be a strong level of trust by all involved and an exit strategy provided for all to see and understand.⁵

Stamp scrip, described in this paper, was primarily used in the depths of the Great Depression in the winter of 1932-1933, where there seemed to be very little, if any, light at the end of the tunnel. As a result, communities needed to decide to either become creative and address the issue on their terms, or wait around and hope somebody or something positive happened. Mason City decided to be a community of action by creating and using stamp scrip money as one of the solutions to the economic issues of the times.

In an era caught between two distinctly different political policies, scrip money was provoked to use between the largely voluntary measures promoted by President Hoover and the forceful leadership of President Roosevelt. Scrip money was comparable to having a small window open. President Hoover left the window open just enough with hopes of letting a voluntary breeze of fresh air in to cool the room, however, the window was slammed shut by President Roosevelt when a new and improved method of “climate

⁴ Emily Lambert, “Funny Money,” *Forbes* (February 14, 2006), https://www.forbes.com/2006/02/11/local-currencies-ithaca_cz_el_money06_0214local.html (accessed February 2, 2017).

⁵ Warner, “Microfinance without,” 1-20.

control” was present. This new and improved method resulted in large amounts of federal spending which quickly outdated and eroded the usefulness of scrip money as it eventually fell from grace for many towards the end of 1933. Although Hoover was unable to prevent the economic failure with his idealistic beliefs of hard work and individualism, his efforts to gather federal government resources did establish the ground work for the New Deal programs. After winning the election, FDR broadcasted his ideas, such as the first “Hundred Days”, on his “Fireside Chats” which resonated well with the public. Even with the Federal Bank Holiday providing sound reasoning for having an alternative currency available, especially in Iowa where the banks were intimately tied to agriculture, the usefulness of scrip would no longer be needed in the era of increasing federal government welfare programs.

Once scrip was conceived in a community, the majority of those involved with scrip treated it much like a local celebrity and in-vogue concept, yet the popularity for scrip waned with time. In Mason City, the popularity, success, dislike, and end of the program was not entirely different from similar projects in that regard. The difference lies in how Mason City was bound and determined to see the project to its completion.

When the idea of using scrip money was first announced in Mason City, attention flourished for the project. Notable citizens spoke in favor and eluded to the local financial and employment interest and promoted scrip as a way to rise up as a community against the seemingly unending financial meltdown. Worthwhile research was completed to set the program up for success. Examples of this research was symbolized by the inquiries of other similar programs from around the state and nation, recruitment of

signatures of support and financial sponsorship from the local businesses, backing and promotion of the project from the best and brightest of Mason City, and the support and willingness to share many useful and interesting ideas from Mason City residents.

The overwhelming positive of scrip money in Mason City seemed to be the resounding ability of the community to persevere and to believe in the greater good of the project. As a whole, the use of scrip money in the community was beneficial as it gave the community something to rally behind and cheer on. Other built in advantages for the program was the size of Mason City, as it was not too big or too small. The community was involved enough and neighborly enough to have a good idea who this endeavor was helping. The city was also large enough to have the scrip program benefit multiple levels of economic growth. Employment was given to those unemployed, but additional employment was also given to those who supplied the necessary raw materials for the road. Of course, the actual spending of the scrip was useful as well, as it created an additional \$520,000 of business for the many merchants who were willing to accept it.

Although there was the usual congestion of scrip in businesses who offered the necessary basic goods and services for survival, Mason City was fortunate to have multiple merchants willing to fill those needs. Additionally, a few major employers of Mason City were committed to making sure they stood by their word and helped redistribute scrip via payrolls. The clearinghouse was also extremely useful in being able to redistribute the scrip into the community.

With all the positives listed and four stated goals completed, in the end, the residents were happy to have finished the project. Chamber of Commerce Secretary

Lester Milligan, who is noted for leaving behind the best insight on the entire project, was proud of the efforts of all dedicated Mason City residents. Even with great efforts given by many, the project was done and very few people had any intentions to keep the project going or have it renewed. Nevertheless, with the lifecycle of scrip completed in Mason City, this particular scrip project had run a successful program from the beginning to the end.

This paper adds to scrip money history by discussing the influential citizens involved, provides an example of guidance and leadership on a local level, elaborates on the implementation of the road building project, and examines the details of the defined goals of the project. The success and failures of the scrip road project in Mason City, Iowa, provides a viewpoint of a local community working together to combat the Great Depression. To view the scrip road project, only a visit to Mason City, Iowa, is necessary as the road created by this program is still in drivable and in working condition today. Sandwiched between Mason City High School and a secluded residential neighborhood, you will find scrip road hugging the banks of the Winnebago River. Without signage or markings present to indicate the road's past, all you need is little imagination and understanding of local history to see a community of perseverance and the images of citizens working together to fight the Great Depression.

**Mason City's Scrip Issue Will Start Circulating Saturday, May 8,
1933. Get Your Stamps - Instruct Your Employees - Be
Ready! Read Carefully The Following Instructions.**

1. The first job to be done with scrip is the grading and cement-macadam surfacing of approximately a mile of road beginning at Taylor bridge and running northwest along the east side of Willow Creek. Peter Madsen, an experienced man, is foreman and general supervisor.
2. Men are placed on this job by the Social Welfare League (city hall) and the County Supervisors (Mrs. Brown's office, court house). Refer all asking for work orders to the Welfare League. They will work in three day shifts, 8 hours per day (except one longer day for making payroll in even dollars) at 30 cents per hour and will each receive \$8.00 in scrip. About 25 men will start, so that 50 different men will receive work the first week. After some two weeks, it is probable that 100 different men will be each receiving 3 days per week.
3. **READ YOUR COPY OF THE GUARANTEE AND AGREEMENT.** If you have misplaced them, ask for copies from the Chamber of Commerce.
4. **GET YOUR STAMPS AT ONCE FROM the First National Bank.** If you made a 10% payment when you signed, your stamps will be there for you. If you did not pay when you signed, please take 10% of the amount you guaranteed to the First National Bank and get stamps. After the first purchase of stamps, they will also be on sale at the Northwest Savings Bank.
5. **ONLY THOSE** who have signed the guarantee may purchase stamps. Guarantees now amount to over \$18,000.00.
6. **REMEMBER—REQUIRE** anyone presenting scrip certificates to you to purchase from you the 2 cent scrip stamps and affix same in your presence, with proper dating and initialing. **WATCH THE DATES**—stamps start in the upper left hand corner and go across from left to right. Stamp consecutive dates.
7. **GET RID OF YOUR CERTIFICATES** — pass them on — just as soon and as fast as you can. Put them out in as many different ways and to as many different people as possible. Most concerns with payrolls are planning to pay up to 10% of wages and salaries, if and when they get that much script.
8. If you get overloaded with more than your agreement and more than you can dispose of, call Lester Milligan (146) or C. H. Barber (176). They will get the clearing house committee of 5 to pass on your application. If it is approved, you may take your excess certificates to the First National Bank and redeem them for 98 cents each.
9. **CHANGE** — You must not give it for purchases less than 50 cents. And when you do give it, take four cents out of each dollar, two of which purchases the stamp which your customer affixes.
10. **STAMP WITH EACH TRANSACTION**, as well as minimum of one for each week. The more stamps on the certificate, the farther dated ahead, the sooner presented at the bank with 52 stamps for redemption — the **BETTER**.
11. **PLAY THE GAME** — see that the rules are observed. The success of this project depends on **YOUR CO-OPERATION**. If it works without undue sacrifice on any particular group, it may be extended indefinitely. It's up to you to see that it works.
12. Extra copies of this leaflet from either the Chamber of Commerce or Retail Merchants offices.
Churches, charitable, civic, fraternal and educational organizations may accept the scrip and purchase the stamps without signing a guarantee. A number of them have already indicated that they will do so.

Sec. 562, P. L. & R.

U. S. POSTAGE

PAID

Mason City, Iowa

Permit No. 33

Figure 16: Mason City Scrip Press Release, May 8, 1933.

ACCOUNTANTS & ATTORNEYS

F. L. Finnegan
 E. S. Gage
 R. C. Patrick
 L. A. Ristau
 L. R. Boomhower
 Garfield E. Breese
 H. J. Bryant
 Frank Chambers
 R. F. Clough
 Chas. E. Cornwell
 M. C. Coughlon
 Fitzpatrick & Barlow
 Remley Glass
 Stanley Haynes
 Morris Laird
 N. Levinson
 Jay Lorenz
 Geo. Ludeman
 Marty & Butler
 L. A. Moe
 Senneff, Bliss & Senneff
 Hugh H. Shepard
 John C. Shipley
 R. S. Stanbery
 W. A. Westfall

AGRICULTURAL IMPLEMENTS

Gibbs-Cook Company
 International Harvester Company

AUTOMOBILE ACCESSORIES

Allstot Battery Service
 Baker Oil & Gas Co.
 Bieth-Johnson Motor Co.
 Central Battery & Elec. Co.
 Combs Tire & Battery Ser.
 Joe Daniels
 Donnelly Service, Inc.
 O. Gregerson
 Vern Howard Service
 Jackson Battery
 Jacoby Battery & Elec. Co.
 Lien & Nelson
 Lindquists
 M. C. Battery & Elec. Co.
 Mulligan & Son.
 Peterson Garage.
 Sieg-Mason City Co.
 J. B. Snyder & Co.
 Ulen Auto Body

AUTO DEALERS

Birum-Olson Co.
 John Gallagher, Inc.
 Lapiner Motor Co.
 J. H. Marston
 North Iowa Motor Co.
 Owen Oldsmobile Co.
 S. & R. Chevrolet Co.
 Wagner Motor Co.

BAKERS**Wholesale & Retail**

Cerro Gordo Bakers
 Independent Baking Co.
 Mason City Baking Co.
 Pfaff Baking Co.
 Purity Bakery

BARBERS & BEAUTY PARLORS

Roy Adkins
 D. E. Avise
 Davis & Longley
 Golden Oak Barber Shop
 R. Green Park Barber Shop
 LeModerne Beauty Studio

Model Barber Shop
 Myers Beauty Studio
 Palais Beauty Shop
 Lillian Reid's Beauty Shop
 Schlick & Kroll
 Scott S. Smith
 Tracy's Barber Shop
 O. M. Williamson
 Steve Wilson
 Zirble's Barber & Beauty Shop

BEVERAGES**Wholesale & Retail**

Goetz Brewing Company
 Mason City Bottling Company
 Paul Waughtal

BROKERS & INVESTMENTS

C. E. Brooks & Co.
 E. W. Clark & Co.
 Home Loan & Finance Co.
 Investor's Syndicate
 Mason City Loan & Investment Co.
 Midland Investment Co.
 C. L. Pine Loan Co.
 A. H. Runcie Finance Co.
 A. M. Schanke & Co.
 United Financial Service

BILLIARDS, BOWLING, TOBACCO

H. C. Boyd Co.
 Boyd Bowling Co.
 Cosmopolitan Billiard Hall
 Frank Duncan
 Elite Club
 Industrial Pool Hall
 Tod Ransom & Son
 United Cigar Store

BOX COMPANIES

Webster Bros. & Conover Co.

BUILDING INDUSTRIES

Henkel Construction Co.
 Kelroy Fuel & Furnace Co.
 Mason City Builders Supply Co.
 M. M. Moen Construction Co.
 Ray E. Pauley Co.
 Petersen Roofing & Supply Co.
 Rye Construction Company

CEMENT COMPANIES

Lehigh Portland Cement Co.
 N. W. States P. C. Company.

COAL, LUMBER, GRAIN

Allison Coal & Feed Co.
 W. G. Block Co.
 Cerro Gordo Farmers Co.
 Chapin-O'Neil Coal Co.
 Consolidated Coal & Coke Co.
 Crystal Lake Ice & Fuel Co.
 Fireside Fuel Co.
 Fullerton Lumber Co.
 L. A. Moore Lbr. Co.
 Northern Lbr. Co.
 L. A. Page Lbr. Co.
 Sterling Coal Co.
 Wagner Coal Co.
 Webster-West Lbr. Co.
 Wolf Bros. Coal Co.

COLLECTION AGENCIES

Security Collection Bureau

CREAMERIES & DAIRIES

Bryson Dairy
 Farm Products Co.
 Hermanson Bros.
 Milblanche Dairy

Figure 17: Participating Businesses in Mason City Scrip Program

Figure Continues

Ryan Dairy
Sanitary Milk Co.
Schermerhorn Farms
Sweet Clover Dairy

**DEPARTMENT STORES &
MENS' CLOTHING**

Abel & Son, Inc.
Betty Jane Dress Shop
Damons, Inc.
Federal Clothing Co.
Fink Smart Apparel
Gildner Bros.
Larners
D. K. Lundberg Co.
Manley Bros.
Mason City Fur Shoppe
The Merkel Co.
Palais Royal
J. C. Penney Co.
Ray E. Prusia Co.
Sam Raizes
The Samuel Stores Inc.

DENTISTS

G. N. Beemer
C. C. Carrick
M. O. Crawford
H. E. Cunningham
Don Fitzgerald
E. C. Higgins
J. E. Hynds
Dr. H. K. Jones
R. F. Kunz
M. D. McMichael
W. O. Mauch
C. L. Meade
T. A. Nettleton
J. L. Pauley
Hardy F. Pool
F. G. Richardson

DRUGGISTS

Casey Drug Co.
Ford-Hopkins Co.
Huxtable Drug Co.
Killmer Drug Co.
Michael Drug Co.
Weed's Pharmacy

FIVE & TEN CENT STORES

S. S. Kresge Co., 9 S. Fed.
S. S. Kresge Co., 17 N. Federal
J. J. Newberry Co.
F. W. Woolworth Co.

FLORISTS

Kemble's Greenhouse

FLOUR COMPANIES

Northwestern Distributing Co.

FRUIT COMPANIES

Wholesale & Retail

Mason City Fruit Co.
Stacy-Friesner Fruit Company

**FURNITURE, HARDWARE,
PAINTS**

Chapman Furniture Co.
Currie-Van Ness Co.
M. C. Hardware Co.
Mason City Paint Co.
Tyler-Ryan Furniture Co.
Mier Wolf & Sons.

**GROCERIES & MEATS
Wholesale**

Letts, Spencer, Smith Company
Witwer Grocer Company

GROCERIES & MEATS

Retail

Atlas Meat Market
Barrett Bros.
C. M. Baxter
Bluebird Grocery
Henry Britven
J. R. Brownell
Buehler & Bishop
Chicago Meat Market
Gene Curtis
Cut Rate Grocery
Diehl Grocery
Peter Ebeling
Evia Meat Market
Federal Packing Co.
Felt & Son
E. F. Flarup
Forest Park Grocery
Gallogly Grocery
Wm. Garfin
Great A. & P. Tea Co.
Glanville Bros.
O. B. Govig
Carl Grupp Food Shop
G. Grupp
Haddy Grocery
Hawkins Meat & Grocery
Horseshoe Grocery
Hull Grocery
Harry L. James
Kirchoff Grocery
A. W. Kitto
J. Kropman
Walter S. Lawrence
Oscar McEldoon
Marsden Grocery
Marsh & Son
Harry Mitchell
Munsinger Grocery
Olson & Kossack
Orange Front Grocery
Riverside Grocery
Samuel Shapiro
Shannon Grocery
Spencer Grocery
Stebbins Grocery
Sterling Grocery
Stop & Shop Food Market
A. T. Suddarth
Thompson-Dean Co.
Tittle Bros. Packing Co.
H. Tjarks
Willson Grocery

HOTELS & RESTAURANTS

Cerro Gordo Hotel
Crystal Cafe
Eadmar Hotel
Green Mill Cafe
Hotel Hanford
Park Inn Hotel & Cafe
Princess Cafe
Quick Lunch
Rainbow Cafe
Sanborn's Restaurant
Soda Grill
Sweet Shop Cafe
Sweetser's Sandwich Shop
Venice Cafe

ICE CREAM COMPANIES

Wholesale & Retail
Birdsall Ice Cream Co., S. Fed.

Figure Continues

Ryan Dairy
Sanitary Milk Co.
Schermerhorn Farms
Sweet Clover Dairy

**DEPARTMENT STORES &
MENS' CLOTHING**

Abel & Son, Inc.
Betty Jane Dress Shop
Damons, Inc.
Federal Clothing Co.
Fink Smart Apparel
Gildner Bros.
Larners
D. K. Lundberg Co.
Manley Bros.
Mason City Fur Shoppe
The Merkel Co.
Palais Royal
J. C. Penney Co.
Ray E. Prusia Co.
Sam Raizes
The Samuel Stores Inc.

DENTISTS

G. N. Beemer
C. C. Carrick
M. O. Crawford
H. E. Cunningham
Don Fitzgerald
E. C. Higgins
J. E. Hynds
Dr. H. K. Jones
R. F. Kunz
M. D. McMichael
W. O. Mauch
C. L. Meade
T. A. Nettleton
J. L. Pauley
Hardy F. Pool
F. G. Richardson

DRUGGISTS

Casey Drug Co.
Ford-Hopkins Co.
Huxtable Drug Co.
Killmer Drug Co.
Michael Drug Co.
Weed's Pharmacy

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S. S. Kresge Co., 9 S. Fed.
S. S. Kresge Co., 17 N. Federal
J. J. Newberry Co.
F. W. Woolworth Co.

FLORISTS

Kemble's Greenhouse

FLOUR COMPANIES

Northwestern Distributing Co.

FRUIT COMPANIES

Wholesale & Retail

Mason City Fruit Co.
Stacy-Friesner Fruit Company

**FURNITURE, HARDWARE,
PAINTS**

Chapman Furniture Co.
Currie-Van Ness Co.
M. C. Hardware Co.
Mason City Paint Co.
Tyler-Ryan Furniture Co.
Mier Wolf & Sons.

**GROCERIES & MEATS
Wholesale**

Letts, Spencer, Smith Company
Witwer Grocer Company

GROCERIES & MEATS

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Atlas Meat Market
Barrett Bros.
C. M. Baxter
Bluebird Grocery
Henry Britven
J. R. Brownell
Buehler & Bishop
Chicago Meat Market
Gene Curtis
Cut Rate Grocery
Diehl Grocery
Peter Ebeling
Evia Meat Market
Federal Packing Co.
Felt & Son
E. F. Flarup
Forest Park Grocery
Gallogly Grocery
Wm. Garfin
Great A. & P. Tea Co.
Glanville Bros.
O. B. Govig
Carl Grupp Food Shop
G. Grupp
Haddy Grocery
Hawkins Meat & Grocery
Horseshoe Grocery
Hull Grocery
Harry L. James
Kirchoff Grocery
A. W. Kitto
J. Kropman
Walter S. Lawrence
Oscar McEldoon
Marsden Grocery
Marsh & Son
Harry Mitchell
Munsinger Grocery
Olson & Kossack
Orange Front Grocery
Riverside Grocery
Samuel Shapiro
Shannon Grocery
Spencer Grocery
Stebbins Grocery
Sterling Grocery
Stop & Shop Food Market
A. T. Suddarth
Thompson-Dean Co.
Tittle Bros. Packing Co.
H. Tjarks
Willson Grocery

HOTELS & RESTAURANTS

Cerro Gordo Hotel
Crystal Cafe
Eadmar Hotel
Green Mill Cafe
Hotel Hanford
Park Inn Hotel & Cafe
Princess Cafe
Quick Lunch
Rainbow Cafe
Sanborn's Restaurant
Soda Grill
Sweet Shop Cafe
Sweetser's Sandwich Shop
Venice Cafe

ICE CREAM COMPANIES

Wholesale & Retail
Birdsall Ice Cream Co., S. Fed.

Figure Continues

R. Birdsall Ice Cream Co., N. Fed.
E. B. Higley Co.
Hutchinson Ice Cream Co.

INSURANCE

G. S. Avery & Son
Bankers Life Co.
Bracken Ins. Agency
Cedar Rapids Life Ins. Co.
Farmers Mutual Ins. Assn.
Federal Life Ins. Co.
R. W. Fischbeck
H. W. Horst (Met. Life)
Huffman-Urenn Ins. Agency
The Iowa Company
Iowa Hdw. Mutual Ins. Co.
The Ralph Lloyd Jones Co.
Max G. Kissick
A. W. Knesel & Son
F. W. Osmundson
Provident Mutual Life Ins.
Prudential Ins. Co.
Register Life Ins. Co.
Walter J. Walker

JEWELERS & OPTICIANS

C. E. Blanchard
H. W. Knutson
Lepper Jewelry Co.
Livergood Bros.
E. J. Murray
W. H. Potts Jewelry Co.
Ray Seney
Smith Optical Co.

LAUNDRIES & CLEANERS

Conlin Cleaners
Ideal American Ldry.
Lyons Laundry
Marshall & Swift, Inc.
Mason City Laundry
New Model Unique
Phalen Cleaners
Smith's Klassy Kleaners

MILLWORK COMPANIES

Mason City Millwork Co.

MUSIC

Vance Music Company
NEWSPAPERS, PRINTERS,
PHOTO.

Central Printing Co.
Co-Mo Photo Co.
Crescent Printing Co.
Hunkins Printing Co.
Kirk Studio
M. C. Globe-Gazette
Register & Tribune
Republican Printing Co.
Russell Studio
C. P. Shipley
The Stoyles Press
Wright Studio

OFFICE SUPPLIES, BOOKS, PAPER

Boyd Typewriter Co.
D. W. Grippen Co.
Klipto Loose Leaf Co.
Lehman & Stock
Loring Farmer Co.
Yelland & Hanes

PETROLEUM PRODUCTS

Isbell Oil Co.
Highway Oil Co.

PHYSICIANS & HOSPITALS

R. E. Brisbane

C. E. Dakin
Wm. C. Egloff
Fallows & Chenoweth
C. M. Franchere
E. McEwen
Steve A. O'Brien
Park Hospital Clinic
Drs. Weston & Weston
PLUMBING, HEATING, ELEC.
SUPPLIES

W. J. Daly Co.
H. C. Determan
Hughes Plb. & Heating Co.
Ideal Plb. & Heating Co.
J. C. Puth
Zack Bros. Elec. Co.

PORK PACKERS

Jacob E. Decker & Sons

PRODUCE COMPANIES

Swift & Co.

PUBLIC UTILITIES

N. W. Bell Telephone Co.
Peoples Gas & Electric Co.

RADIO EQUIPMENT COMPANIES

Paul's Radio Service

SIGNS

H. B. Farrer

SPORTING GOODS

M. C. Sporting Goods

SHOE COMPANIES

Iowa Shoe Brokerage
G. R. Kinney Co.
Laird Shoe Co.
Layman's Shoe Co.
Miller-Jones Co.
Nichols & Green
Robinson's Shoe Market
Stevens Shoe Co.
Tradehome Shoe Store

SHOE REPAIRS

Busy Bee Shoe Hospital
Central Shoe Shop
Service Shoe Shop

TAILORS

Glasgow Tailors

TEA COMPANIES

Iowa Tea Company

TENTS AND AWNINGS

M. C. Tent & Awning Co.

THEATRES

Tom Arthur
Yorke Theatres, Inc.

TRANSFER & STORAGE

Cadwell Tsf. & Storage Co.

TRANSPORTATION COMPANIES

Jefferson Trans. Co.

UNDERTAKERS & CEMETERIES

Memorial Park Cemetery
Meyer Funeral Home
Patterson Funeral Home
Randall Funeral Home

WELDING COMPANIES, FOUN- DRY & MACHINE SHOPS, PIPE COMPANIES

Iowa Culvert & Pipe Co.
M. C. Foundry & Mch. Co.
Thomas Machine Co.
V. M. Welding Co.

Table 4: Iowa Stamp Scrip Issuers. Via “Stamp Scrip in the Great Depression: Lessons for Currency Today?” By Johnathan Warner.					
Town/County	Date Started (First Issue)	Issue (\$) and Denomination	Number and Value of Stamps	Type	Date Ended
Hawarden	10/8/32	300 @ \$1	36 x 3¢	Transaction	Jan. 1936
Rock Rapids	11/26/32	250 @ 50¢	54 x 1¢	Hybrid: Week	Dec. 1933
Eldora	12/8/32	285 @ \$1	36 x 3¢	Transaction	Nov. 1933
Lamoni	12/8/32	100 @ \$1	36 x 3¢	Transaction	
Sigourney	12/8/32	250 @ \$1	36 x 3¢	Transaction	
Albia	12/21/32	375+ @ 50¢	54 x 1¢	Transaction	
Pella	12/22/32	500 @ \$1	36 x 3¢	Transaction	June 1937
New London	1/3/33	100 @ \$1	36 x 3¢	Transaction	
Nevada	1/5/33	300 @ \$1	36 x 3¢	Transaction	
Grinnell	1/10/33	500 @ \$1	36 x 3¢	Transaction	Nov. 1933
Adel	1/25/33	300 @ \$1	36 x 3¢	Transaction	Jan. 1934
What Cheer	1/27/33	150 @ \$1	36 x 3¢	Transaction	Jan. 1936
Adel (2)	2/8/33	600 @ 50¢	35 x 1.5¢	Dated: Week	Jan. 1934
West Burlington	2/10/33	@ 50¢	50 x 1¢	Transaction	
Humeston	2/11/33	25 @ \$1	54 x 2¢	Transaction	July 1933
Boone	2/15/33	@ \$1	36 x 3¢	Transaction	
Centerville	2/20/33	600 @ 50¢	54 x 1¢	Transaction	
Lake Mills	3/1/33	300 @ \$1	52 x 2¢	Transaction	Nov. 1933
Greenfield	3/11/33	600 @ 50¢	36 x 1.5¢	Transaction	Sept. 1933
Red Oak	3/11/33	100 @ \$1	52 x 2¢	Dated: Week	Nov. 1933
Bedford	3/13/33	300 @ \$1	50 x 2¢	Transaction	
Lenox	3/15/33	@ 50¢	36 x 1.5¢	Transaction	
Pella (2)	3/22/33	1000 @ \$1	50 x 2¢	Transaction	June 1937

Table Continues

Town/County	Date Started (First Issue)	Issue (\$) and Denomination	Number and Value of Stamps	Type	Date Ended
Keokuk	3/27/33	500 @ \$1	36 x 3¢	Transaction	June 1933
Cass Co.	4/6/33	4499 @ \$1	50 x 2¢	Transaction	June 1935
Winneshiek Co.	April 33	6000 @ \$1	50 x 2¢	Transaction	Aug. 1934
Hawarden (3)	4/10/33	300 @ \$1	36 x 3¢	Time: Month	May 1936
Earlham	4/22/33	@ 50¢	36 x 1.5¢	Transaction	
Iowa City	5/3/33	1630+ @ \$1	50 x 2¢	Transaction	
Polk Co.	May 33	125,000 @ \$1	50 x 2¢	Transaction	June 1934
Mason City	5/6/33	10,000 @ \$1	52 x 1¢	Hybrid: Week	June 1934

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